

**SUNDAYS RIVER VALLEY MUNICIPALITY**



**FINAL IDP 2018/19**

## CONTENTS TABLE

### CHAPTER 1: PREPARATION PHASE

1. The process of the IDP	5
---------------------------	---

### CHAPTER 2: SITUATIONAL ANALYSIS

2.1 Demographic profile	19
2.2 KPA: Infrastructure Development and Basic Service Delivery	27
2.3 KPA: Community and Social Services	76
2.4 KPA: Local Economic Development	97
2.5 KPA: Good Governance and Public Participation	125
2.6 KPA: Institutional Transformation and Organizational Development	138
2.7 KPA: Financial Viability and Management	141

### CHAPTER 3: STRATEGIC PERSPECTIVE

3.1 Vision	165
3.2 Mission	165
3.3 Values	165
3.4 Strategic Direction	165
3.5 National Development Plan	166
3.6 Local Government Turn Around Strategy (LGTAS)	168
3.7 Sundays River Valley Municipality Management Charter	169
3.8 mSCOA	169
3.9 Community Priorities	170
3.10 National and Provincial strategies	178

**CHAPTER 4: PROJECTS**

<b>4.1 Projects from sector departments</b>	<b>181</b>
<b>4.2 Draft SDBIP 2018/19</b>	<b>190</b>

**CHAPTER 5: PERFORMANCE MANAGEMENT**

<b>Monitoring and Evaluation</b>	<b>218</b>
----------------------------------	------------

# **CHAPTER 1: PLANNING AND PROCESSES**

## CHAPTER I PREPARATION PHASE

---

### 1.1 Process of Reviewing the IDP

The municipality has produced an integrated timetable of activities which include the IDP, Budget, Performance Management and annual reporting. The extract below is relevant to the IDP process, the full integrated timetable is attached as an annexure. A detailed table of activities for reviewing the 2018/19 IDP, associated legislation, responsibility for each activity and the associated budget is as follows.

### 1.2 ISSUES TO BE CONSIDERED FOR THE IDP REVIEW

- Comments received from assessment of the 2017/18 IDPs
- Consideration and inclusion of any new information
- Areas requiring attention not addressed during the review of the IDP
- Review and development of sector plans
- Alignment of the district and local municipality's priorities and plans and budgets
- Alignment of budgets and sector specific plans and programmes of provincial sector departments government with district and local municipality plans
- Back to Basics

### 1.3 ORGANISATIONAL ARRANGEMENTS

Council	Approves the Process Plan and the IDP.
Mayor	Decide on the Process Plan and to make firm recommendations to Council. Chair meetings of IDP Forum.
Municipal manager	<p>The Municipal Manager is responsible for managing, monitoring, and implementing the overall IDP process, assisted by the Strategic Support Manager, IDP Assistant Manager, the IDP Steering committee, and officials. The terms of reference include:</p> <p>Preparing the process plan.</p> <ul style="list-style-type: none"><li>□□ Undertaking the overall management and coordination of the planning process by:</li><li>□□ Nominating persons in charge of participation and involvement of all different role-players.</li><li>□□ Ensuring that the time frames are being adhered to.</li><li>□□ Ensuring that the planning process is horizontally and vertically aligned and complies with national and provincial requirements.</li><li>□□ Ensuring that conditions for participation are provided.</li><li>□□ Proper documentation of the results of the</li></ul>

	planning of the IDP document.
Directors	<ul style="list-style-type: none"> <li>□□ Providing relevant technical, sector and financial information for analysis for determining priority issues.</li> <li>□□ Contributing technical expertise in the consideration and finalization of strategies and identification of projects.</li> <li>□□ Providing operational and capital budgetary information.</li> <li>□□ Being responsible for the preparation of project proposals, the integration of projects and sector programmes.</li> <li>□□ Being responsible for preparing amendments to the draft IDP for submission to the municipal council for approval and the MEC for local government for alignment.</li> </ul>
IDP Steering Committee	<p>The IDP Steering Committee of SRVM assists the Municipal Manager in guiding the IDP process. It comprised the following members:</p> <ul style="list-style-type: none"> <li>□□ Municipal manager and Directors</li> <li>□□ IDP Manager</li> </ul> <p>The terms of reference of the IDP Steering Committee included the following:</p> <ul style="list-style-type: none"> <li>□□ Providing terms of reference for the various planning activities.□</li> </ul>

	<p>Process, and summarize documents and outputs.</p> <ul style="list-style-type: none"> <li>□□ Make content recommendations.</li> <li>□□ Define the terms of reference for the IDP Representative Forum.</li> <li>□□ Inform the public about the establishment of the IDP Representative Forum.</li> <li>□□ Identify stakeholders to be part of the Forum in such a way that the public is well represented.</li> </ul>
IDP Rep Forum	<p>The IDP Representative Forum is chaired by the Executive Mayor as the organizational mechanism/platform for discussion, negotiation, and decision-making between stakeholders within the municipal area.</p> <p>The terms of reference for this structure included:</p> <ul style="list-style-type: none"> <li>□□ Represent the interests of constituents in the IDP process.</li> <li>□□ Provide an organizational mechanism for discussion, negotiation and decision-making between the stakeholders and municipality.</li> </ul>

	<ul style="list-style-type: none"> <li>□□ Ensure communication between all the stakeholders' representatives.</li> <li>□□ Monitor the performance of the planning and implementation process.</li> </ul>

#### **1.4 MECHANISMS FOR PARTICIPATION**

Chapter 4 of the Municipal Systems act requires municipalities to involve communities and stakeholders in the IDP Review process. The SRVM will use the media (local newspaper), flyers, emails communication, loud-hailing and word-of-mouth to inform stakeholders about the IDP Review.

##### **IDP REPRESENTATIVE FORUM**

The IDP Representative Forum will be as inclusive as possible to accommodate stakeholders. In an effort to ensure maximum engagement, the SRVM has earmarked a series of meetings for stakeholder engagement.

##### **IDP/Budget Road-shows**

The Mayor of the Municipality will embark on road-shows in the eight (8) wards of the municipality to consult communities on the IDP and Budget of the Municipality.

##### **Media**

Notice will be placed on local newspapers to keep stakeholders informed on the approval and adoption of the IDP and Budget

##### **Council approval**

The draft reviewed IDP and Budget is earmarked to be submitted to Council for approval in May 2018.

## 1.5 The Process Plan

MONTH	DETAILS	LEGISLATION	RESPONSIBILITY
<b>JULY 2017</b>	Consultation with SBDM on draft framework plan	MSA 29(1) & (2)	MMO
	Submit draft 2018/19 process plan to Council for noting		
	Submit 2018/19 process plan to COGTA		
	Advertise process plan 2018/19		
<b>AUGUST 2017</b>	Audit committee meeting		MMO
	MPAC		
<b>SEPTEMBER 2017</b>	IDP steering committee - This will serve as the induction meeting to the new Council especially to the councillors that serve on the IDP portfolio	MSA 29 (1)(b)	MM
	Draft participation plan for internal and external stakeholders with relevant service units		Strategic Services Manager
	Present participation		MM & Strategic Services

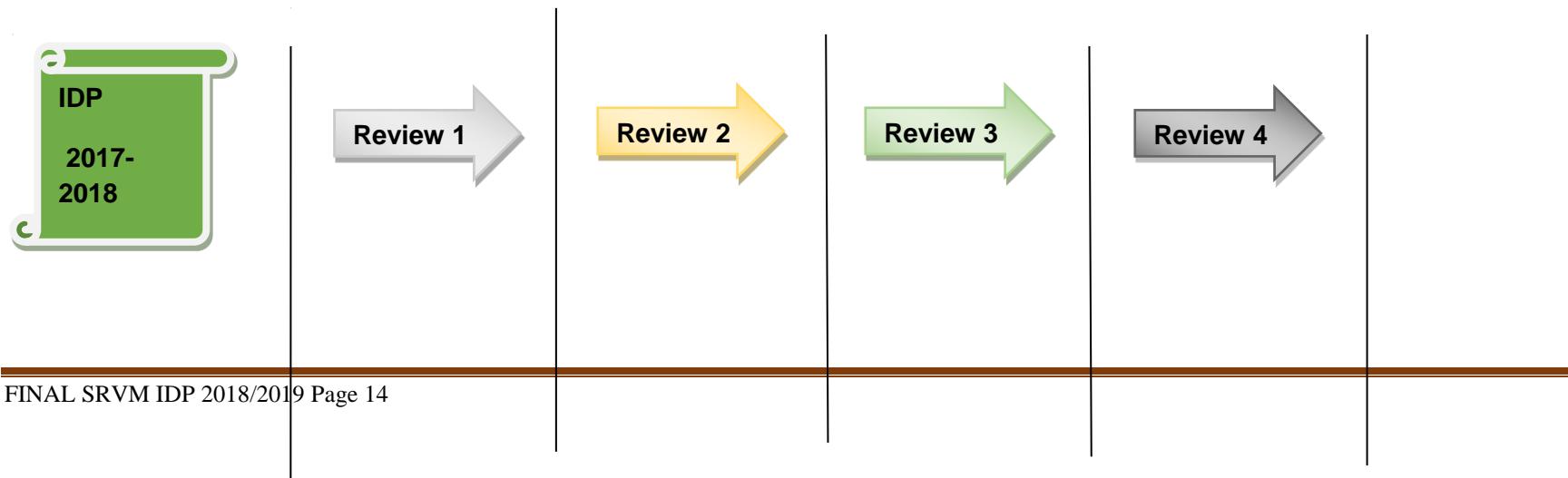
MONTH	DETAILS	LEGISLATION	RESPONSIBILITY
	strategy to EXCO		Manager
	Ordinary Council meeting (14 September 2017)		
	MPAC		MM
<b>OCTOBER 2017</b>	Strategic planning workshop (Council and management)	MSA (35) (1)(a)	MM and Mayor
	IDP REP Forum		Mayor
	EXCO (12 OCTOBER 2017)		MM
	AUDIT COMMITTEE (17 OCTOBER 2017)		
	MPAC (21 OCTOBER 2017)		
	CONSULTATION WITH THE DISTRICT MUNICIPALITY (27 OCTOBER 2017)	MSA 29(2)(c)	STRATEGIC SERVICES MANAGER AND MM
<b>NOVEMBER 2017</b>	COMMUNITY BASED PLANNING ROLL OUT	MSA 29(1)(b)	Strategic Services Manager & MM
	Situational analysis (municipal wide analysis)		
	IDP Steering committee meeting		MM
	Review of objectives and strategies (planning		

MONTH	DETAILS	LEGISLATION	RESPONSIBILITY
	session) EXCO (23 November 2017)		
<b>DECEMBER 2017</b>	Identification and compilation of draft projects	MSA 29(1)(c)	MM
	Audit Committee (special) & MPAC (Joint meeting) (5 December 2017)		
	Ordinary Council (7 December 2016)		Speaker
<b>JANUARY 2018</b>	Audit Committee (20 January 2017)	MSA (35) (1)(a)	MM
	MPAC (23 January 2018)		MM
	Special Council meeting 25 January 2018)		Speaker
	IDP steering Committee meeting (26 January)		MM
<b>FEBRUARY 2018</b>	Consultation with sector departments and external stakeholders for alignment of programmes	MSA 29(1)(b)	MM, CFO & Mayor
	Finalization of draft projects/alignment with		

MONTH	DETAILS	LEGISLATION	RESPONSIBILITY
	budget		
	Special Council Meeting (21 February 2018)		Speaker
	Draft Division of Revenue – to update CIP and MTEF based on draft DORA allocation		CFO & MM
<b>MARCH 2018</b>	MPAC (8 March 2018)	MSA 29(1) MSA 29(2)(c) MSA 29(1)(b)	MM
	EXCO (16 March 2018)		MM
	IDP REP Forum		Mayor
	Consultation with SBDM		Strategic Services Manager and MM
	Tabling of draft IDP to Council (22 March 2018)		MM
	Advertise draft 2018/2019 IDP in press for public comment		Strategic services manager
<b>APRIL 2018</b>	IDP Budget roadshow	MSA 29	Mayor and MM
	Audit Committee (18 April 2017)		
	Special Council meeting (20 <sup>th</sup> April 2018)		Speaker
	MPAC (21 April 2018)		MM

MONTH	DETAILS	LEGISLATION	RESPONSIBILITY
<b>MAY 2018</b>	EXCO (2 May 2018)	MSA 29	MM
	MPAC (16 May 2018)		
	Council adopts and budget (23 May 2018)		Council
	Publication of approved IDP/budget on the website and local newspaper		
<b>JUNE 2018</b>	MPAC (6 June 2018)		MM
	EXCO		
	Ordinary Council (21 June 2018)		Speaker

The Municipal Systems Act (Act 32 of 2000) requires municipalities in South Africa to review their IDP's on an annual basis in order to keep track and remain relevant to the ever changing needs and dynamics in communities. In relation to the illustration below of the evolution of IDP's over a 5 year period this process can be described as the development of the IDP of the Sundays River Valley Municipality. The priorities and actions identified in this IDP development will inform the structure of the Sundays River Valley Municipality, the service delivery standards, all financial planning and budgeting as well as performance reporting by the municipality.



### **1.6 Legislative Framework**

The **Constitution of the Republic of South Africa** outlines the type of local government needed in the context of a developmental state. Sections 152 and 153 of the constitution prescribe that local government should be in charge of the development process and municipal planning and describe the following objects of local government:

- To ensure the sustainable provision of services;
- To provide democratic and accountable government for all communities;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To give priority to the basic needs of communities; and
- To encourage involvement of communities and community organizations in matters of local government.

The **Municipal Systems Act (MSA) Act 32 of 2000** requires municipalities to develop Integrated Development Plans which should be single, inclusive and strategic in nature. The IDP of a municipality will guide development within the councils area of jurisdiction once adopted and the IDP should also be reviewed annually. In addition the Act also stipulates the IDP process to be followed and the components to be included.

Section 34 of the Municipal Systems Act (32 of 2000) requires that a Municipal Council:

(a) Must review its integrated development plan –

- (i) Annually in accordance with an assessment of its performance measurements in terms of section 4; and
- (ii) To the extent that changing circumstances so demand; and
- (b) May amend its integrated development plan in accordance with a prescribed process.

Section 21 (1) of the **Municipal Financial Management Act (MFMA) (Act 56 of 2003)** says that, the Mayor of a municipality must –

(a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for –

(i) The preparation, tabling and approval of the annual budget;

(ii) The annual review of –

- the integrated development plan in terms of section 34 of the Municipal Systems Act; and

- the budget-related policies;

(iii) The tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iv) Any consultative processes forming part of the processes referred to in sub-paragraphs (i), (ii) and (iii)

Section 21(2) of the Municipal Finance Management Act **states** that, when preparing the annual budget, the Mayor of a municipality must:

(a) take into account the municipality's Integrated Development Plan;

(b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years;

(c) take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;

### **1.7 MEC Comments on SRVM IDP**

The MEC commented on the previous years' IDP. In reviewing the IDP for the period 2017/18 the comments were considered and taken into account. This is particularly the case in the section dealing with Institutional Transformation and Development and Basic Infrastructure and Service Delivery where information had to be updated.

<b>Focus Area</b>	<b>Finding</b>
Spatial Development Framework	There is no indication of an implementation plan to unlock land for future land uses.
Spatial Development Framework	There has been no indication of the existence of planning tribunal as required for SPLUMA implementation
Spatial Development Framework	There is no indication of the availability of the qualified Town Planner deal with town planning requirements in terms of SPLUMA.

<b>Focus Area</b>	<b>Finding</b>
Human settlement development	There is no indication of budgetary provision of planned housing projects, must be provided by Human Settlement Department
Natural environment analysis	There is no indication of a functional environmental unit/ environmental official in place to implement environmental plans and programmes.
Roads and storm water	There is no indication of an approved storm water management plan.
Roads and storm water	Sundays River has not reflected on either the availability of the Rural Road Asset Management (RRAMS) nor its usage.
Energy	There is no reflection of the 3Year Capital Plan inclusive of Electricity planning.
Compliance	There is no mention of separate bank account for conditional grants.
Revenue	No indication whether the municipality has accurate data in place for billing,
	The municipality does not have mechanisms to curb water losses and illegal electricity connection.

# **CHAPTER II**

# **SITUATION ANALYSIS**

## **2.1 Demographic Profile**

### **2.1.1 Introduction**

The analysis section is the cornerstone of the IDP. It provides an assessment of the existing level of development in the municipality. This session analyses the internal and external environmental trends and provides reliable information that may have a potential impact on the attainment of the municipality's mission and objectives. It focuses on the type of problems faced by the people of Sundays River Valley. The analysis considers people's perceptions of their problems, but also facts and figures. The analysis is structured according to the five (5) key performance areas which are premised by the demographic profile. The section is structured as follows:

- Demographic Profile
- Basic services and Infrastructure
- Local Economic Development
- Institutional Transformation and Organisational Development
- Good Governance and Public Participation
- Financial Viability and Management

In order to properly plan for the development of the SRVM, it is critical to understand the needs of the Sunday's River Valley population, its relevant demographics as well as the anticipated trends in development for the 2018/19 financial year.

### **2.1.2 Description of the municipal area**

Sundays River Valley Municipality is in the Eastern Cape and is one of the seven local municipalities in the Sarah Baartman District. It is a Category B municipality with a collective executive system combined with a ward participatory system established in terms of the Local Government Municipal Structures Act 117.

It is approximately 50km from Coega Industrial Zone in Nelson Mandela Bay Metro. The municipality can boast its ecotourism and agricultural potential. The Addo Elephant National Park and its citrus production are two important drivers in the Sundays River Valley Municipality. The valley is characterised by harsh climate conditions, with summer temperatures rising in excess of 40°C. Rainfall is spread over the year and is between 250-

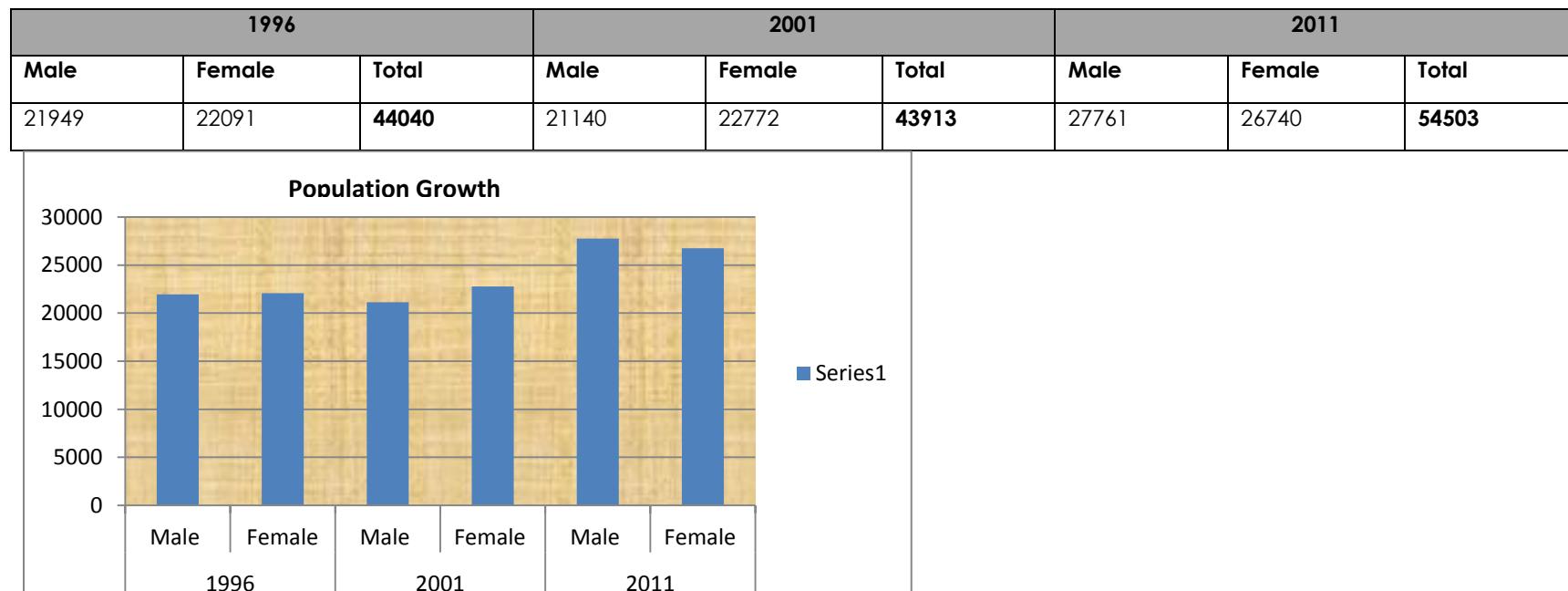
500mm per annum. The valley is characterised by wide, fertile flood plains and is associated with low-lying land and steep, less fertile soil. The area outside the Sundays River includes the Paterson area, the coastal belt, and the west of Alexandria.

### 2.1.3 Population Profile

The source used for data is accredited and has reference. Most of the data is recent. Following are the sources of data:

- Stats SA 2016 Community Survey
- ECSECC 2016
- QUANTEC 2016
- Stats SA 2011

#### Distribution of population by Gender (Census 1996, 2001 & 2011)



According to Census 2011, the population of SRV was approximately 54 503 people of whom 72% are Black African, 21% Coloured and 6% White. Between the years of 1996 and 2001, the population showed a slight decrease of 0.29% (127 of the population). However during the years of 2001 and 2011, the population had increased by 19% (10590 of the population).

- Population by Gender and Growth Rate: Stats SA community survey

<b>Age group</b>	<b>Total Population</b>		<b>Growth Rate</b>
	<b>2011</b>	<b>2016</b>	
0-4	5682	5001	-2.55
5-9	4839	5923	4.04
10-14	4057	6495	9.41
15-19	4560	6162	6.02
20-24	5344	5095	-0.95
25-29	5473	5784	1.11
30-34	4341	5013	2.88
35-39	4254	4422	0.77
40-44	3787	3721	-0.35
45-49	3145	3500	2.14
50-54	2679	2191	-4.02
55-59	2055	2342	2.61
60-64	1451	1556	1.40
65-69	993	1178	3.42
70-74	829	469	-11.39
75-79	441	474	1.44
80-84	283	340	3.67
85+	290	127	-16.51
<b>TOTAL</b>	<b>54503</b>	<b>59793</b>	<b>1.85</b>

Source: Stats SA: 2016 Community Survey

Population Group: Stats SA community survey

Table 1	Population group				
	Black African	Coloured	Indian/Asian	White	Grand Total
Sundays River Valley	41,650	17,086	309	748	59,793

Population by Gender

Table 2	Gender		
	Male	Female	Grand Total
Sundays River Valley	31,136	28,656	59,793

Highest Education Levels

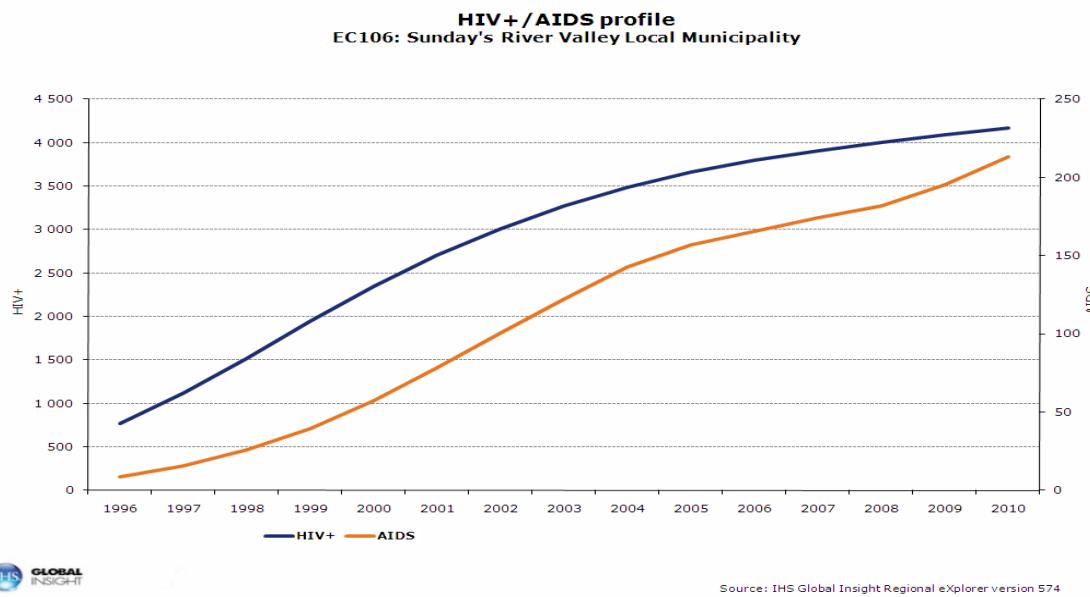
Education level	Number
No Schooling	6819
Grade 0 - 5	16466
Grade 6 - 11	28372
Grade 12	5831
N4	51
N5	25
N6	30
Diploma	324

Bachelor's Degree	88
Honors	27
Masters	36
Other	269
Do not know	1224
Unspecified	232
<b>TOTAL</b>	<b>59794</b>

The youthful population suggests a need for prioritization of skills development and employment creation initiatives for youth.

#### **2.1.4 HIV/AIDS Profile**

HIV/AIDS pandemic has an impact on labour supply, through increased mortality and morbidity. This is compounded by loss of skills in key sectors of the labour market. The long period of illness associated with AIDS reduces labour productivity. One review reported that the annual costs associated with sickness and reduced productivity as a result of HIV/AIDS. These costs reduce competitiveness and profits. Government incomes also decline, as tax revenues fall, and governments are pressured to increase their spending, to deal with the rising prevalence of AIDS, thereby creating the potential for fiscal crises

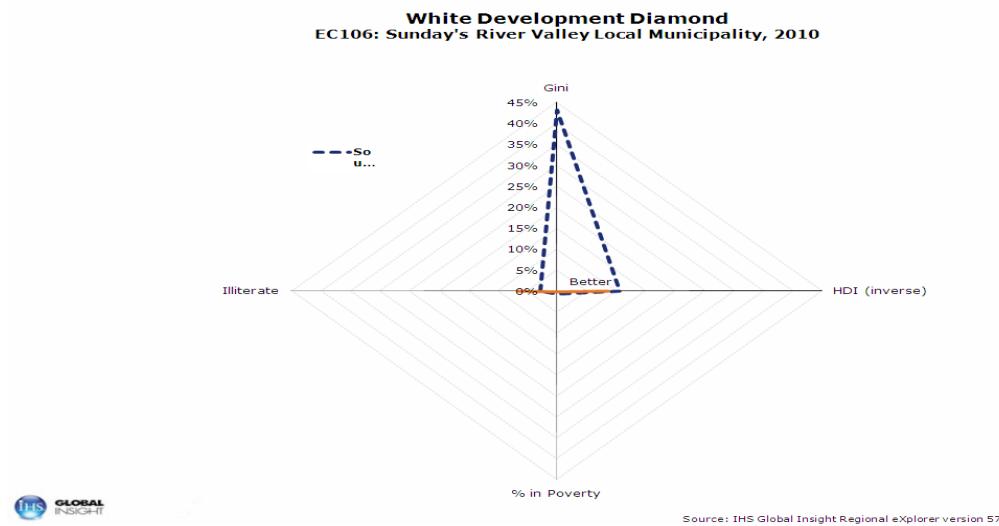


The profile above indicates that the epidemic is reaching a plateau, with some 4 200 people or 9% of the population infected with HIV and some 200-300 AIDS sufferers. The in-migration of job seekers during the citrus season may be viewed as one of the contributory factors for the spread of the virus. At the community based plan meeting held on the 3<sup>rd</sup> January 2012, ward committees expressed concern about the figure and opined that the cases may be more. They further revealed other prevalent sicknesses in their communities such as tuberculosis, high blood pressure and arthritis.

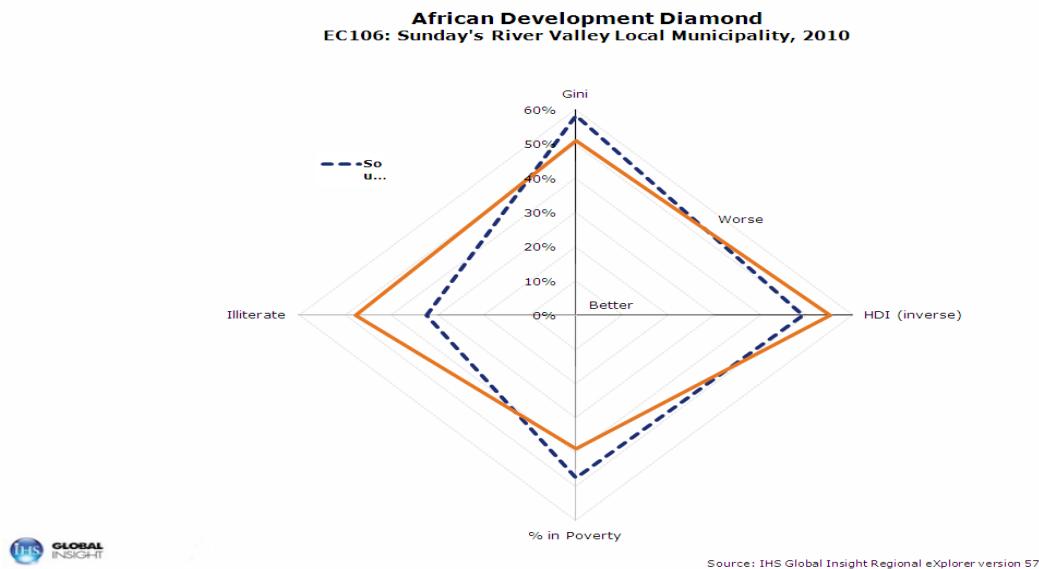
### **2.1.5. The Development Diamond**

The Development Diamond measures the extent of inequality (Gini Coefficient), underdevelopment (the Human Development Index or HDI), Poverty and illiteracy. The Development Diamonds reflect the racially skewed ongoing effects of the Apartheid system that officially ended in 1994.

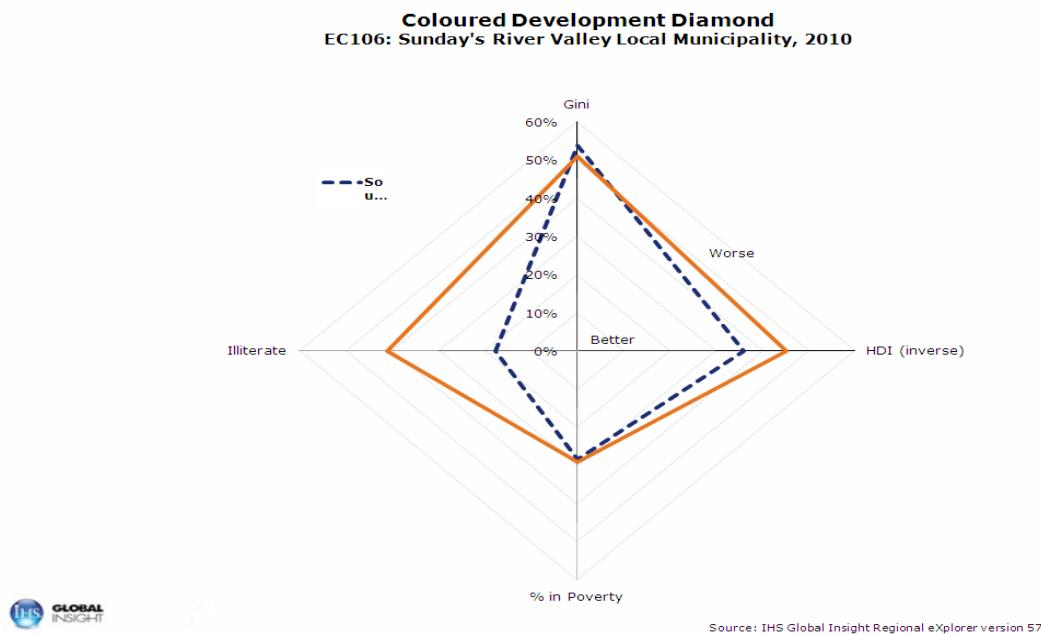
Whites experience almost no poverty, a high HDI, less than 5% illiteracy and relatively low inequality.



Africans experience high poverty (although lower than the national average), a low HDI, very high illiteracy and high inequality.



Coloureds experience lower poverty and illiteracy, a higher HDI, less illiteracy and roughly the same level of inequality.



- In the SRVM, the number of African in poverty is equal to the national average of 40%.
- SRVM has more illiterate number of African and historically disadvantaged individuals (HDI) than the national average.
- The inequality levels (measured by the Gini Coefficient) are better in SRVM as compared to the national statistics.

## **2.2. KEY PERFORMANCE AREA: Infrastructure and Basic Services**

### **2.2.1 Water**

The Sundays River Valley Local Municipality (herein after referred to as SRVM) currently faces challenges with respect to the sustainable provision of water services. Sustainability is affected by:

- Increased water demands through higher levels of services;
- High population growth;
- Ageing infrastructure
- Expansion of the citrus sector;
- Infrastructure backlogs; and
- New RDP housing developments.

The following residential areas form part of this study:

- Kirkwood
- Moses Mabida
- Bergsig
- Aqua Park
- Emsengeni
- Enon & Bersheba

Kirkwood and surrounding areas currently experience water supply interruptions caused by scheduled maintenance of the irrigation canal which is the source of raw water supply.

A feasibility study was conducted during 2013/2014 and was completed on 28 November 2014. The study investigated several options, including the associated costs, and recommended the most beneficial bulk water supply solution for Kirkwood and its surrounding areas.

The recommendation from the Technical Feasibility was accepted by the concerned parties Department of Water and Sanitation and GILGAL Newground JV

JV was appointed to implement Phase 2B (Preliminary design and research) and Phase 3 (Implementation Readiness Study).

This report focusses on the Preliminary Design which forms part of Phase 2B.

### **Objectives of the Appointment:**

The objectives of the appointment will be reached through the planning and development of a bulk water supply infrastructure system that can meet the current and future demands of the area in terms of adequate quantity and at the required quality. The following infrastructure systems are being designed to meet these objectives.

- Construction of additional clear water reservoirs;
- Upgrading of pump house and pipeline from Kirkwood to Bontrug (Moses Mabida and Msengeni);
- Installation of Pressure reducing valves at some locations in the water reticulation network in Bontrug (Moses Mabida and Msengeni); and
- Construction of a new raw water dam.

### **Initial Scope of Work:**

The following forms the initial Scope of Works for the project in terms of the construction phase:

Boreholes:

- Drill and test new borehole,
- Construct the pump houses at the borehole,
- Install the borehole pump and associated infrastructure
- Install the rising main from the new boreholes to the Kirkwood WTW.

Additional Water Storage

- Construct a new 3.0 ML reservoir at Kirkwood Town Reservoirs.

- Construct a new 3.0 MI reservoir at Bontrug (Moses Mabida) Reservoirs.

#### **Final Scope of Work:**

The final scope of work includes the following:

Additional Clear Water Storage -

- Construct a new 2.0 MI reservoir at Kirkwood Town (Kirkwood, Aqua Park, Bergsig) Reservoirs; and
- Construct a new 3.0 MI reservoir at Bontrug (Moses Mabida, Msengeni) Reservoirs.

Additional Raw Water Storage -

- Construct an additional raw water storage dam; and
- Supply and install associated infrastructure.

Upgrading pipeline -

- Replace some section of the pipeline from Kirkwood town to Bontrug (Moses Mabida); and
- Upgrade pumps that pumps water from Kirkwood to Bontrug (Moses Mabida).

Pressure reduction -

- Install Proportional Pressure Reducing Valves at some locations of high pressure in the water reticulation network in Bontrug (Moses Mabida).

Elevated tank -

- Construct a 40 kl elevated tank in Bontrug (Moses Mabida) to feed the areas close to the reservoir.

In 2017/18 financial year the municipality commissioned two professional engineering companies LA Consulting Engineers and Bosch Projects. The two companies were given the following responsibilities;

- To investigate the condition of the water pipelines in the Upper and Lower Valley of the Municipality
- To investigate the class of the existing pipes

- To investigate the sizes of the existing bulk water pipe network
- To provide the municipality with the recommendations where repair or upgrades are necessary
- To provide the municipality with credible business plan for the purpose of lobbying of funding

The above project has successfully given birth to one water project which seeks to upgrade the water network of Enon and Bersheba. The Enon and Bersheba network is made of old and undersized pipework. As a result, low pressures and bursts are eminent, leading to no pressure zones and service interruptions. The project seeks to improve the level of water service in the Enon & Bersheba area.

### **2.2.2 Sanitation**

The definition of this function according to MDB is the establishment or procurement, where appropriate, provision, operation, management and maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste water. The following is the current level of service regarding sanitation:

- (a) 2,2% of consumer units are served with buckets
- (b) 23,4% of consumer units are served with pit latrines
- (c) 0,2% of consumer units are served with septic tanks
- (d) 7,4% of consumer units are served with VIP's
- (e) 66,9% of consumer units are served with waterborne sewer system

The National Urban Reconstruction Agency (Nurucha) in association with the Sunday River Valley Municipality (SRVM) has identified households within the Paterson area which was using the bucket sanitation system. This type of sanitation technology is considered inhumane and present possible hygiene and health risks to the community. In an effort to eradicate the bucket system, sanitation projects are being implemented to provide all households with waterborne sewerage facilities. However, due to the lack of adequate Municipal bulk water and sewer infrastructures, the services infrastructure provided to the housing settlements are resulting in non-functional systems.

#### **Project Location**

The Paterson Town is located approximately 80km North East of Port Elizabeth. The town is accessed off the N10 towards Cradock. The project area being investigated falls within the Paterson Town and is accessed from either sides of the Provincial Road R342 approximately 1.15km east of the N10.

The project area consists of the following housing settlements:

- Moresone
- Riemvasmaak

- Manqindini
- Kwazenzele
- Ntakazilali
- Mandela village
- Zinyoka

### **Scope of Works**

The following items describe the scope works that were identified by Nurcha at the time of tender:

- Gather and analyse existing project related information (i.e. original designs, as built drawings etc.)
- Conduct investigations that would assist NURCHA to make an informed decision about the adequacy of the existing water and sewer reticulation networks. The investigation would have to provide a concise response to the following questions:
  - Does the water and sewer reticulation infrastructure to 1245 erven actually exist?
  - If the network does exist, is it connected to all the 1245 erven?
  - Does the design of the network conform to acceptable engineering design standards?
  - Has the network been constructed in accordance with acceptable construction standards?
  - Has the material that has been used acceptable for a project of this nature?
  - If the network were to be commissioned tomorrow, would it be able to function properly?
  - If not, what modifications would be required to bring the network to an acceptable working standard?
  - Conduct tennis ball, pressure and alignment tests to the network.

Subsequently EE's investigation has revealed additional housing units i.e. increasing from 1245 to 1566 erven which are covered within this report. To date 1245 units have been completed.

### **Implementation**

The Minister of Water and Sanitation announced that she had set aside R 120 000 000,00 to eradicate 1245 buckets in the area of Paterson. The project commenced in the 2015/16 financial year focussing on the following scope of works;

- Upgrading of the faulty sewer mainlines
- Upgrading of the faulty water mainlines
- Installation of prefabricated toilet structures to 1245 erven in Paterson
- Connection of water to the main water reticulation
- Connection of sewer erf connections to the sewer mainline

The project came to successful completion in November 2016. However, 369 houses remained unconnected in Paterson Kwazenzele area because they were not appearing on the general plan for the area. The regularization of the General Plan was handed to the Department of Human Settlements.

In 2017/18 financial year the municipality commissioned two professional engineering companies LA Consulting Engineers and Bosch Projects. The two companies were given the following responsibilities;

- To investigate the condition of the sewer pipelines in the Upper and Lower Valley of the Municipality
- To investigate the class of the existing pipes
- To investigate the sizes of the existing bulk sewer reticulation pipe network
- To provide the municipality with the recommendations where repair or upgrades are necessary
- To provide the municipality with credible business plan for the purpose of lobbying of funding

The above project has successfully given birth to one sanitation projects which seeks to upgrade the sewer network of Addo and Paterson. The Paterson sewer network was built about 15 years back and it has become clear to the municipality that maintainability was not considered during the design stages of the network. These sewers were built with average depths between 4 and 7m. This makes it impossible for the municipality to maintain using the rodding methods. As a result, the municipality has seen increase in expenditure in acquiring emergency jetting and honey sucking services.

In the same way Addo especially Valencia sewers were built more than 20 years ago, as a result they are undersized, not catering for the recent increase in population and housing developments. Constants jetting and rodding is done to keep the network free of blockages.

The two projects will see the municipality being free of colossal spending on emergency services and unhygienic environment.

**Table 6: Water Infrastructure**

Water Infrastructure	Total
Total Number of Schemes	3
Total bulk pipeline km.	24
Total Number reservoirs	14
Total Number pump stations	11
Total Number of Water Treatment Works	3
Total Number of Waste Water Treatment Works	4

Source: SRVM WSDP 2011/12

The WSA does not have its own official "Sanitation Service Level Policy" in place except for the "RDP minimum levels of service and the National Free basic level of service guidelines" to which it conforms to. From the WSA's experience of the needs of the communities through the IDP process and WSP functions, it is clear that the minimum level of service for sanitation is full water borne system serving each consumer unit.

**Existing Water Allocation:**

The raw water source for Kirkwood is the irrigation canal from the Koorhansdrift Weir.

The Municipality has an existing lawful use of  $1.3 \text{ Mm}^3/\text{year}$  for domestic use which must be licensed.

A further 189 hectares of agricultural water has been allocated to the municipality. This is not part of the so-called 3000 ha allocated by Kader Asmal.

The  $189\text{ha} \times 9000 \text{ m}^3/\text{ha/year} = 1.701 \text{ Mm}^3/\text{year}$  of irrigation water plus the  $1.3 \text{ Mm}^3/\text{year}$  are both charged by the irrigation board and paid by the municipality at the domestic rate. This amounts to  $3.46 \text{ Mm}^3/\text{year}$  at domestic rates.

The application is for domestic use of  $2.2 \text{ Mm}^3/\text{year}$  which is reflected in the All Towns strategy of DWS. This leaves  $3.46$  minus  $2.2 = 1.26 \text{ Mm}^3/\text{year}$  for agricultural use by the municipality.

Increasing the level of assurance of supply from 80% for agricultural use to 98% for domestic use will be achieved by the installation of a dedicated raw water pipeline from the Koorhansdrift Weir to compensate for canal down-time during the maintenance periods. This is provided for by this project.

The current water abstraction entitlement is  $3,420 \text{ kl/d}$  ( $1.25 \text{ Mm}^3/\text{a}$ ).

With reference to the above, the SRVM has an authorised water use, but for other purposes. To "buy time" to explore alternative sources, the SRVM applied for a Section 25(1) transfer in terms of the National Water Act 36 of 1998. This application is dated 3 February 2016.

INFRASTRUCTURAL CAPACITY		
Addo	<p>Raw water is supplied from the LSRWUA canal (Orange River water) to the Caesar's Dam. Raw water is pumped from the dam to the water treatment works (WTW) from where it is pumped to three storage reservoirs.</p> <p>Caesar's Dam WTW is currently underway.</p>	<p>The internal sewerage reticulation consists of fibre cement and PVC pipelines and drains to the Waste water treatment works.</p> <p>The WWTW is an oxidation pond system and it has insufficient capacity to meet Addo's future wastewater demand.</p> <p>The scheme is being upgraded at the moment (Currently under Phase 3. Contractor is currently on site.</p>
Enon-Bersheba	<p>Raw water is supplied from the LSRWUA canal (Orange River water) and pumped to a balancing dam next to the water treatment works (WTW).</p> <p>Raw water gravitates from the dam to the WTW from where it is pumped to two storage reservoirs. Enon – Bersheba has sufficient capacity to meet its current water demand. The project for the upgrade of the Enon Bersheba bulk water supply has augmented the capacity. A reservoir was built and commissioned in January 2012</p>	<p>The sewage reticulation network consists of fiber cement and PVC pipelines and drains to the Wastewater treatment works (WWTW).</p> <p>The WWTW is an oxidation pond system and it has insufficient capacity to meet Enon-Bersheba's future wastewater demand.</p> <p>Project was completed in 2011</p>
Kirkwood	<p>Raw water is supplied from the LSRWUA canal (Orange River water) into three concrete balancing dams. Raw water is pumped from the dams to the water treatment works from where it is pumped to the storage reservoirs.</p> <p>The storage reservoir capacity can only last for two days. Hence the needs to be increased. To this end the municipality has applied for funding from RBIG to upgrade the ponds as well as the treatment works</p> <p>Kirkwood has insufficient capacity to meet its current water demand.</p>	<p>The sewage reticulation network consists of fiber cement and PVC pipelines and drains to the Wastewater treatment works (WWTW).</p> <p>The Wastewater Treatment Works has a capacity of 2.0 ML/d. Due to inefficient water conservation and demand management the WWTW is currently unable to cope with the current load.</p> <p>The wastewater projections based on the above assumptions of a 2% population growth. Depicts the following:</p> <p>The WWTW treatment capacity is to be increased as follows:</p> <ul style="list-style-type: none"> <li>• from 2.0 – 4.3 ML/d immediately (adequate until 2031); and</li> <li>• from 4.3 – 5.8 ML/d by 2031 (adequate until 2046, see graph hereunder).</li> </ul>

Paterson	<p>The Paterson bulk Water Reticulation Project has now been completed Phase 1-5:</p> <p><b><u>Status:</u></b></p> <ul style="list-style-type: none"> <li>• Phase 1: 100% completed</li> <li>• Phase 2: 100% completed</li> <li>• Phase 3: 100% completed</li> <li>• Phase 4: 100% completed</li> <li>• Phase 5A: 100% completed</li> <li>• Phase6: 0% (No budget available to award contract to a value of R25m)</li> </ul>	<p>A total of 1245 out of the 1566 buckets have been eradicated during the 16/17 MTEF.</p> <p><b><u>Project Scope:</u></b></p> <p><b>Addo</b></p> <ul style="list-style-type: none"> <li>• New 2 X 2ML clear water reservoirs in Addo – 100% Complete</li> <li>• Upgrade Caesars Dam WTW from 3ML/Day to 6ML/Day – 100% Complete</li> <li>• New 200mm diameter rising main pipeline from Caesars Dam WTW to Booster Pump Station (22,6km) – 100% Complete</li> <li>• New Pump Station at Caesars Dam and Booster Pump Station along the Rising Main – 100% Complete</li> </ul> <p><b>Paterson - 100% Complete</b></p> <ul style="list-style-type: none"> <li>• New 1,3ML clear water reservoir in Paterson</li> <li>• New 200mm diameter rising main pipeline from Booster Pump Station to Paterson (12,4km)</li> <li>• New Pump Station and 200kl header tank in Paterson</li> </ul>

**Table 1. MFMA Section 71 Report**

**Table 7: Service levels (Households)**

CAPITAL GRANTS	ALLOC. (R'000)	QUARTERLY EXPENDITURE (R'000)				CUMMULATIVE EXPENDITURE (000)	% EXPENDITURE
		Quarter 1	Quarter 2	Quarter 3	Quarter 4		
MIG 2017/18	29 378 000,00	2 621	9 003	5 415	0,00	17 909	78%
INEP	18 000 000,00	4 974	1 728	3 936	0,00	10 750	62%
SMALL TOWN REVITALIZATION	29 500 000,00	2 500 000	12 000 000	15 000 000	0,00	29 500 000	100%
RBIG	500 000,00	0	0	0	0,00	0	0%
EPWP	1 000 000,00	28	192	405	0,00	1 000	93%
<b>TOTAL</b>	<b>78 278</b>	<b>16 736</b>	<b>24 240</b>	<b>20 870</b>	<b>0</b>	<b>59159</b>	<b>79%</b>

**Table2. Non-Financial Annual Sector Backlogs Data**

Infrastructure Sector Category	Total Units	2017/18 Served Units	2017/18 Served %	2017/18 Backlog Baseline	2017/18 Backlog %
Water (hh)	11 529	11250	98%	219	2%
Sanitation (hh)	11 529	11160	97%	369	3%
Electricity (hh)	11 529	11408	99%	71	1%
Refuse Collection (hh)	11 529	10952	99%	127	1%
Landfill Sites (LFS)	4	0	0%	11529	100%
Roads (Km)	160	152	95%	8	5%
Community Halls (CH)	8	8	100%	0	0%
Sports Facilities (SF)	10	7	70%	3	30%

**Table3. Non-Financial Quarterly Performance Backlogs Eradication**

Infrastructure Sector Category	2017/18 Backlog Baseline	Current Quarter Targeted Units	Current Quarter Actual Performance	Current Quarter Reduced Backlog	Current Quarter Reduced Backlog %
Water (hh)	219	50	50	119	2%
Sanitation (hh)	369	40	40	1205	10%
Electricity (hh)	71	0	0	0	0%
Refuse Collection (hh)	127	1000	1000	-423	-4%
Landfill Sites (LFS)	0	0	0	0	100%
Roads (Km)	152	2	2	148	91%
Community Halls (CH)	0	0	0	0	0%
Sports Facilities (SF)	3	2	2	1	10%

*Extract from the DWIF Quarterly Report October 2016*

### **2.2.3 Electricity**

- (a) Census 2011 reveals that 75% of households have access to electricity. This is a reduction to 95% previously reported. This could be attributed to the increase in the number of households from 12050 to 14 578.
- (b) The supply of electricity by ESKOM is linked to approved housing developments and the submission of settlement design plans
- (c) 5% of households are without electricity; this includes those in un-demarcated informal areas.
- (d) All erven falling within the municipal supply have connections with a minimum of 40 ampere and those falling under Eskom have a minimum supply of 10 ampere.
- (e) Eskom services the biggest area in SRVM and the municipality only services Kirkwood, Aqua Park and Bergsig. The Municipality is licensed to serve the above mentioned areas and the total meter points is 1112.

The electricity network in Kirkwood was built in 1962. Under the Alternative approach towards the stabilisation & electrification of the Greater Kirkwood & surrounding areas, the 2.5 MVA has been upgraded to 5MVA as of the 16<sup>th</sup> of October 2016, under the R9million allocation. The contractor is currently busy with the following scope of works:

- Upgrading of MV overhead lines from Main Street to Cnr Whytes Street for approx. 3km,
- Installation of 120mm X 3 Core CU XLPE PVC SWA PVC from Cnr Whytes, Angle Street, Middle Street, Meiring Street and Mark Street for approx. 1,4km
- Installation of 11kV Safeplus Outdoor Switchgear – RMU
- Removal of streetlights and re-installation of existing luminaires.

The Municipality has secured R13 million for the 17/18 MTEF and a R1,75 million during the regazzetting (16/17).

A total of 13 high mast lights and 173 streetlights were erected and connections paid for in June 2016 and the LM is currently awaiting Eskom to connect the High Mast Lights. The payment for Street light was also effected during the 16/17 MTEF.

#### **2.2.3.2 Alternative sources of energy**

The Sundays River Valley Municipality does not have waterfalls within its geographic location.

It must also be noted that EIA's and investigations by private sector actors are being done along the coastal areas between Nanaga and Alexandria for the suitability of wind turbines. Also, solar- powered geysers are installed in some areas, the rollout for these has been hampered by poor workmanship and slow progress. This notwithstanding, the Municipality has all intentions of rectifying the situation.

#### **2.2.4 Agricultural Infrastructure**

The municipality needs commonages that are fenced to be able to rent out to subsistence stock farmers. There is no pound in the municipal area and the situation poses a risk for road accidents. There are dipping tanks in all three nodal areas, however they all need to be upgraded. There is a need for livestock handling facilities in all the dipping tanks. Certain pieces of land that belong to the municipality and the community (kk 113 and Enon-Bersheba Citrus farm) have got an irrigation system that is currently vandalised. Enon-Bersheba communal land has fenced grazing camps and natural dams which must be provided with water. The majority of people that are involved in agriculture are commercial and their infrastructure is in good condition. There is only one tractor that was donated by the Department of Rural Development and Agrarian Reform for the emerging farmers of Sundays River. The tractor cannot service the vast area of Sundays River as a result it is overused and constantly breaks down. Council has donated two other tractors for kk113 and Enon –Bersheba, but tractors are too small for effective utilisation.

#### **2.2.6. Community Works Programme**

<b>Site name</b>	Sundays River Site
<b>Implementation Period</b>	2 Years
<b>Site Age (how long has CWP been implemented in this site)</b>	17 Months
<b>Local Municipality</b>	Sundays River Valley Municipality
<b>Province</b>	Eastern Cape
<b>Total Participants allocated per budget</b>	500 participants
<b>Total budget allocation for period</b>	R 6 712 027
<b>IA Management contact details</b>	Siyakholwa Development Foundation  Suite 1, Sherwood House, Batting Road, Beacon Bay, East London, 5241  EL Office Tel No: 043-7482-446  KK Hoek Office Tel No : 040 658 0112
<b>Site staff contact details</b>	Sibonile Sibaca Cel no: 079 436 0221/ 042 230 0177
<b>LRC Municipal champion contact details</b>	Tel No: 042 230 0078
<b>Reference committee secretariat contact details</b>	Sibonile Sibaca cel no: 076 436 0221/ 042 230 0177

<b>CWP Site</b>	<p>Stats SA 2011 reflects that poverty levels are high with 46.1% of the population not receiving any income, and a further 10.8% earn less than R801 per month, therefore technically falling under the poverty line. This is exacerbated by the fact that 65.7% of the potential labour force are not working. The population lack buying power which makes it difficult to exploit local economic development opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.</p> <p>The potential economic active labour force accounts for 60.2% of the total population which reinforces the need to boost the economy and stimulate job growth</p> <p>The agricultural industry, centering mainly around citrus fruit, dairy and chicory farming, plays a major role in the economy and functioning of the region; it alone counts for 31.2% of the GGP and 47.7% of employment.</p> <p>Approximately 25% of South Africa's navel oranges and 50% of the country's lemons are produced in the Sunday's River Valley. The area exports million of cartons of navel oranges per year, earning more than R1 billion in foreign exchange for the country. Other agricultural products include vegetables, potatoes, maize, wheat, chicory, flowers and rye grass.</p> <p>Ecotourism is another driving force of the local economy, thanks to the presence of vast unspoiled wilderness areas. Addo receives about 115 000 visitors each year, of which 50% are foreign, and this figure is on the increase.</p>	<p>The program will be relevant to the area as it bring an opportunity of employment to the unemployed and under-employed, To grow and develop them in preparing for working industry and business world.</p>
<b>District Municipality</b>	<p>The District is situated in the western portion of the Province, bordering the Western Cape, Northern Cape and Chris Hani and Amatole District Municipalities in the Eastern Cape. Nine local municipalities have been established within the jurisdiction of Cacadu DM</p>	<p>It is a great contribution to the high poverty and unemployment communities as the site accounts for 8% of the district and is one biggest of the informal settlements</p>

<b>Local municipality</b>	<p>The Sundays River Valley Municipality (SRVM) is one of the developing local municipalities within the Sarah Baartman District Municipality (Western Region). It is in the Eastern Cape approximately 80km north and east of the Nelson Mandela Bay Municipality.</p> <p>The municipal area covers 3507.59 km<sup>2</sup> (6% of Sarah Baartman total area). It can be accessed through the N10 and N2 national roads. Per Census 2011, the population of SRV was approximately 54 504 people of whom 72% are Black African, 21% Coloured and 6% White. But speculation would decisive that these figures do not reflect the influx of migrant workers that compete for jobs and services with indigenous citizen</p>	The population has increased because of casual workers from other towns who end up residing there.
<b>Municipal code</b>	EC106	
<b>Main urban centre</b>	Kirkwood, Patterson and Addo. With Kirkwood boosting better infrastructure than the other two	The town has enough banking facilities and there is 1 FNB branch in Addo and there are ATMs and Mini ATM in both Addo and Paterson.
<b>Number of wards in local municipality</b>	8 Wards	The wards are well demarcated and it's easy to divide the 1000 participants into all wards.
<b>Population</b>	<p>According to Census 2011, the population of SRV was approximately 540 504 people of whom 72% are Black African, 21% Coloured and 6% White. Between the years of 1996 and 2001, the population showed a slight decrease of 0.29% (127 of the population). However, during the years of 2001 and 2011, the population had increased by 19% (10590 of the population).</p>	Ward 8 as having the highest percentage of 17%, followed by Ward 7 which sits on 15% of the total population. These two ward depend on citrus seasonal employment as a source of economic activity. Ward 4 has the lowest population size of 9% but with the highest unemployment rate or inequality. For ward 4 many of the citizens have to migrate closer to citrus farms to access employment during the months of April to September
<b>Number of households</b>	The housing backlog in the Sunday River Municipality is estimated to be 5543 with the largest demand being in Wards 3 and Wards 4.	This was caused by the high rate single mothers of they depend more on child grants to feed their family. With the program the participants are now be more on work.

<b>Languages</b>	Majority of the population speaks Afrikaans and Xhosa	No implications to the program as everyone are used in communicating with all their languages.
<b>Area</b>		No implications as the locations are not too far apart in each town. The only problem is that other towns have no bank facilities.
<b>Race groups</b>	Black South Africans account for 59% of the population, followed by 33% Coloured South Africans. Stats 2011 also indicates that 95.5% of the population were born in South Africa.	All races get along easy as they are used in working together
<b>Age distribution</b>	<p>The age structure depicted below suggests that Sundays River Valley Municipality has a population is relatively youthful. The age structure mapped in the pyramid below is very similar to that of South Africa as a whole, but with certain notable exceptions:</p> <ul style="list-style-type: none"> <li>□ A relative decrease of males aged 40 to 65, possibly indicating out migration</li> <li>□ A relative increase of men and women aged 25-35, possibly as a result of relatively rapid population growth in the late 1980's and low levels of out migration</li> <li>□ A relative decrease of boys and girls aged 5-20, possibly indicating that they are being raised and educated in areas with better education opportunities.</li> </ul>	The youthful population suggests a need for prioritization of skills development and employment creation initiatives for youth.
<b>Education and skills levels</b>	Suggested unemployment rate figures range from 20% to 44%. In 2001, among persons older than 20 years, 5461 had had no schooling, 7642 had had some primary education, 2487 had completed primary school, another 6594 had had some secondary education, 2363 had finished Grade 12, and 827 had gone on to some higher level of schooling. <sup>[8]</sup>	

<b>Economy, employment and unemployment</b>	<p>The agricultural industry, centering mainly around citrus fruit, dairy and chicory farming, plays a major role in the economy and functioning of the region; it alone counts for 31.2% of the GGP and 47.7% of employment.</p> <p>Approximately 25% of South Africa's navel oranges and 50% of the country's lemons are produced in the Sunday's River Valley. The area exports million of cartons of navel oranges per year, earning more than R1 billion in foreign exchange for the country. Other agricultural products include vegetables, potatoes, maize, wheat, chicory, flowers and rye grass.</p> <p><a href="#"><u>Ecotourism</u></a> is another driving force of the local economy, thanks to the presence of vast unspoiled wilderness areas. Addo receives about 115 000 visitors each year, of which 50% are foreign, and this figure is on the increase.<sup>[8]</sup></p>	<p>The program will play a role in decreasing the rate of unemployment</p>
---	---	--

<b>Housing</b>	<p>Around 1 749 households in Sundays River Valley presently live within traditional, rental, or informal structures and earn below R6 400.00 per month per household. Of these 1 556 households (or 88.9%) earn below R3 200.00 per month, representing the number of households that qualify for the full subsidy amount available from the Department of Human Settlement.</p> <ul style="list-style-type: none"> <li>· The majority – being 8 000 households (or 81%) reside in brick structures, followed by 766 (7.8%) in traditional dwellings.</li> </ul> <p>Of the 4281 households that reside on farms / rural areas, it is estimated that at least 65% are low-income earners and therefore likely to be farm worker families. Based on this, it is estimated that there are approximately 2 782 farmworker families in the municipality. It is however not clear how many of these households live in inadequate shelter.</p> <p>The presence of 263 households presently residing in "informal" flats and / or rooms in backyards and 27 households that presently reside in informal settlements clearly indicate a demand for informal settlement upgrade or rental housing (in cases where occupants of shacks are using the shack as temporary accommodation as opposed to being homeless). However, a dot-count reflects a total of 744 informal structures counted in Addo, Kirkwood and Paterson.</p>	
<b>Roads</b>	<p>In 2007, the National Department of Transport compiled an assessment of the municipal road network throughout the entire country. It is of great concern to note that more than 20% of the surfaced road network is in a poor or very poor condition. It is a generally accepted norm that a good road network should not have more than 5% of the surfaced roads below a fair condition, which means that the provincial road network is in dire need of rehabilitation and maintenance</p>	<p>The municipality is using the RAMS Programme for master planning purposes. The EasyRams programme was workshopped to the municipality in 2017/18 financial year.</p>

<b>1122222EDFGVB</b> <b>NMF</b>	<p>At least 10 952 out of 11 529 households have access to electricity (94.5%). The Municipalities area of jurisdiction is the following areas: Kirkwood, Bersig, Moses Mabida and Aqua Park for electrical infrastructures. The outlining areas are serviced by ESKOM. A fully costed master plan is in place and requires the following funding:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Short term – R4,123,147</li> <li><input type="checkbox"/> Medium Term – R28,857,573</li> <li><input type="checkbox"/> Long term - R14,242,838</li> </ul> <p>SRV is in the process of rolling out its street lighting project to avert among other things the increase of crime in dark areas. This project is however negatively influenced by cash flow problems.</p>	
<b>Waste</b>	<p>The municipality is challenged with illegal dumping and random dumping. Measures to control and eliminate this challenge are in place with little reported success.</p>	

<b>Water</b>	<p>The extent of challenge in access to water is:</p> <ul style="list-style-type: none"> <li>- Shortfall of 4,9ML Capacity of shortage of Portable Water in Kirkwood</li> <li>- Additional Storage of Raw Water Dams &amp; Water Losses in Kirkwood</li> <li>- Ageing Infrastructure (Enon, Kleinpoort, Glencorner.</li> <li>- Enon Bulk and Reticulation Network</li> </ul> <p>The cost estimate for water is:</p> <ul style="list-style-type: none"> <li>- Kirkwood Bulk WTW is R24,172,515.83</li> <li>- Surrounding Areas is R 34,755,034.83</li> <li>- Enon Bulk &amp; Reticulation is R 14 500.00</li> <li>- Boreholes in Kleinpoort, GlenConnor &amp; Zuney is R 2 090 000,00</li> </ul> <p>At least 11 310 out of 11 529 households have access to water (98%). SRVM need to accelerate the implementation of RBIG Programme and lobby for funding</p>	
<b>Sanitation</b>	<p>At least 10 284 out of 11 529 households have access to waterborne sanitation services( 89% ). The extent of the challenge for sanitation include:</p> <ul style="list-style-type: none"> <li>- Paterson Sewer Network</li> <li>- Addo Sewer Network</li> <li>- Zuney VIP Toilets</li> <li>- Aqua Park, Moses Mabida &amp; Langbos blockages</li> </ul>	

<b>Education</b>	<p>The functional area is not the competency of the Sundays River Valley Municipality; however SRVM plays a role of lobbying for the required services by the community. Through IGR structures an integrated approach to development is facilitated. The municipality cannot plan a new housing development without understanding the need and plans of education, for example a new housing development may need a school and a reserved site where such school could be built. Developments issues that emanated from IDP community consultation are not different from the ones identified in 2011/12 are reflected below:</p> <ul style="list-style-type: none"> <li>· Skills training centers are needed in the municipal area</li> <li>· Learner transport is very critical especially for remote rural areas such as Zuney</li> <li>· Back to school campaign has to be revived and support for needy children prioritized.</li> <li>· Renovation of all schools is required in the Sunday's River Valley, including provision of retention and retraining of teachers;</li> <li>· Education support services are needed for children with learning disabilities;</li> <li>· It is required to introduce skills development for Municipal staff, the community, and especially emerging farmers. Emerging farmers mentorship programme is started and facilitated by the District</li> </ul>	<p>ECD program to encourage and train the children at lower grade so that they will be encouraged to study and see the value of the education. Teacher assistance and LSA program. Abet is also one of the program that makes a lot of difference as lot of people did not go to school.</p>
<b>Health services</b>		<p>HBC, Support Groups and Learner support Agent program can be implemented.</p>

<b>Sports and recreation</b>		There could be sports coach and mentors from the participants
<b>Cemeteries</b>	There are 12 cemeteries and 6 have reached capacity.	

### **2.2.6 Water and Reticulation Level**

The data is provided by the Cacadu District Municipality and has been gleaned from the latest backlog study, which was conducted in September 2005. The data indicates the existing water reticulation levels and current deficiencies in the level of service, as well as the cost implications to rectify the current backlogs.

**Table 10: Nature of water services at household level**

TYPE OF SERVICE	NOTHING	STANDPIPE >200M	STANDPIPE < 200M	INDIVIDUAL CONNECTION UNMETERED	INDIVIDUAL CONNECTION METERED	YARD TANK	OTHERS
<b>Consumer units</b>	0	410	1750	1600	8310	0	0
<b>% Of consumer units</b>	0	3.3%	14.4%	13.25	68.8%	0	0
<b>District average</b>	<b>0.17%</b>	<b>2.6%</b>	<b>4.9%</b>	<b>9.56%</b>	<b>74.96%</b>	<b>7.66%</b>	<b>0.02%</b>

**Source: Cacadu District Municipality Backlog Study 2005**

The table offers a mirror (namely the District average rates) against which performance can be checked.

In a different configuration the following table indicates those geographical areas with "below standard" access to water.

**According to the backlog study, the following areas have been identified as having insufficient services according to the national standards:**

**Table 11: Geographical areas facing below standard water supply**

AREA	SUBURB	ERVEN	STANDARD: 5
<b>ADDO</b>	Informal settlement	200	3
	Langbos	350	3
	Molly Blackburn	400	3
	Noluthando	800	3
<b>KIRKWOOD</b>	Moses Mabida	1200	4
	Shacks	410	2
<b>PATERSON</b>	Kwazenzele B	400	4

**Source: Cacadu District Municipality Backlog Study 2005**

Behind the scenes a number of mechanisms enable delivery of water.

***The following table looks into the limitations and requirements of these mechanisms:***

**Table 12: Bulk water supply requirements**

SETTLEMENTS	UPGRADING BULK STORAGE			UPGRADING WASTE WATER TREATMENT			UPGRADING BULK PIPELINE INFRASTRUCTURE		
	Current	Required	Cost <sup>1</sup> 'Mil	Current (Ml)	Required	Cost	Current (L / S)	Required	Cost
<b>ADDO</b>	4.0ML	6.9ML	R5.2	2.4	3.3	R1.5	37.0	52.5	R1.2
<b>ENON/BERSHEBA</b>	1.1ML	1.0ML	R 0	0.5	0.5	R0	9.4	7.1	R0.75
<b>KIRKWOOD</b>	5.1ML	7.8ML	R4.8	1.5	3.8	R3.0	59.7	59.3	0

PATERSON	1.3ML	2.5ML	R2.2	0.5	1.2	R1.2	21.2	18.8	R 7
----------	-------	-------	------	-----	-----	------	------	------	-----

Source: Cacadu District Municipality Backlog Study 2005

Table 13: Upgrading of raw water supply

SETTLEMENTS	UPGRADING RAW WATER SUPPLY				
	CURRENT	REQUIRED	MAX	SHORTFALL	COST
ADDO	14.8	52.5	37.0	15.5	R1 800 000
ENON/BERSHEBA	8.1	7.1	8.1	0	R3,200,00
KIRKWOOD	20.9	59.3	59.3	0	R3 100 000
PATERSON <sup>2</sup>	4.5	18.8	17.3	1.5	R1 000 000

Source: Cacadu District Municipality Backlog Study 2005

Table 14: Summary of the investment cost for the required upgrade

NATURE OF SERVICE AREA	RETICULATION	RESERVOIR (STORAGE)	SOURCE T(RAW WATER SUPPLY)	WATER TREATMENT WORKS	BULK PIPELINE INFRASTRUCTURE
KIRKWOOD	825 600	4 842 923	3 070 551	0	0
ADDO	1 260 000	5 181 170	1 775 322	2 636 280	1 240 000
PATERSON	144 000	2 236 815	1 021 407	4 592 440	0

Source: Sarah Baartman District Municipality Backlog Study 2005

## 2.2.7 Sanitation & Reticulation Level

Table 15: Nature of current sanitation services at household level

NATURE OF SERVICE	NOTHING	PIT	VIP	BUCKET	CONSER. TANK	SEPTIC TANK	SBS SYSTEM	FWS SYSTEM
Consumer units	0	3960	1043	1100	0	145	0	5822
% Of consumer units	0	32.8%	8.6%	9.1 %	0	0.12%	0	48.23%
District average	0.81%	5.36%	6.89%	10.83%	13.21%	7.38%	6.245	49.28%

Source: Sarah Baartman District Municipality Backlog Study 2005

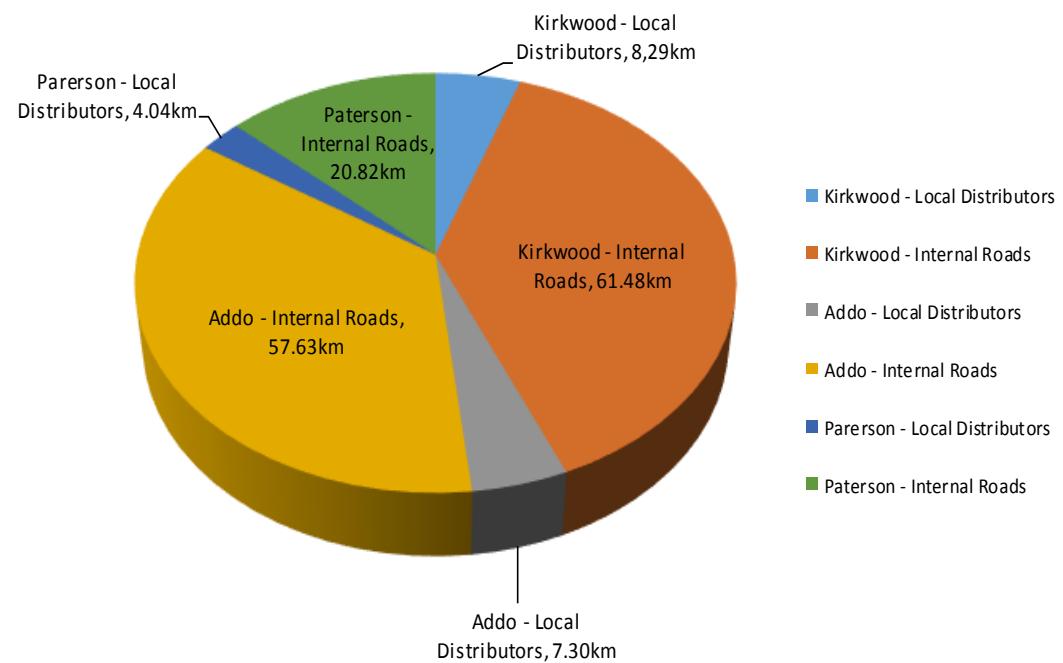
Table 16: Geographical areas facing below standard services

AREA	SUBURB	ERVEN	RATE STANDARD: 8
ADDO	Town	25	6
	Informal settlement	200	2
	Langbos	350	2
	Molly Blackburn	400	2
	Noluthando	800	2
ENON/BERSHEBA	Bersheba A	200	2
KIRKWOOD	Aqua Park	277	3
	Emsengeni	766	3
	Moses Mabida	1200	2
	Shacks	410	2
PATERSON	Kwazenzele B	800	4
	Kwazenzele B	400	2
	Moreson	300	4
	Old Town	120	6

Source: Sarah Baartman District Municipality Backlog Study 2005

## 2.2.8 Roads and Storm-Water

The table below indicates the lengths of local distributor and internal roads in each area that require development under the project. Existing roads and storm-water infrastructure are in a very poor condition with most of the local distributor and internal roads having a gravel surface.



Roads that are surfaced are in such a poor condition that they cannot be successfully rehabilitated without a complete re-construction.

The most critical issue common to all of the areas is the lack of proper storm-water management. Rudimentary storm-water infrastructure has been installed on some of the roads, while most overland flow is uncontrolled causing significant damage during high rainfall occurrences. The difference between pre and post development run-off are not catered for.

**Table 17: The Lengths of local distributor and internal roads in each area**

AREA	LENGTH OF BULK ROADS(m)	LENGTH OF INTERNAL ROADS(m)	WIDTH BULK ROADS(m)	WIDTH INTERNAL ROADS(m)	AREA OF BULK ROADS(m <sup>2</sup> )	AREA OF INTERNAL ROADS(m <sup>2</sup> )	NO. OF SITES
<b>GREATER</b>							
MosesMabhida	2283.44	18402.0	6	3	13928.98	62566.83	1320
Emsengeni	2091.96	9073.9	6	3	12760.96	30851.5	808
KirkwoodTown	0	16023.7	6	5	0	88130.85	494
AquaPark	1458.09	3336.4	6	3	8894.35	11343.86	414
Bersig	800.21	3160.5	6	3	4881.28	10745.73	261
Enon	1659.18	11487.7	6	3	10121	39058.42	781
<b>SUBTOTAL</b>	<b>8292.88</b>	<b>61484.4</b>			<b>50586.57</b>	<b>242697.19</b>	<b>4078</b>
<b>GREATER ADDO AREA</b>							
Langbos	4228.34	35264.5	6	3	25792.87	119899.5	1600
Addo	0	5178.9	6	3	0	17608.4	234
Valencia	3071.07	17182.9	6	3	18733.53	58422.13	1581
<b>SUBTOTAL</b>	<b>7299.41</b>	<b>57626.4</b>			<b>44526.4</b>	<b>195930.03</b>	<b>3415</b>
<b>GREATER PATERSON AREA</b>							
Patterson	4037.98	20815.8	6	3	24631.68	70773.89	1479
<b>SUBTOTAL</b>	<b>4037.98</b>	<b>20815.8</b>			<b>24631.68</b>	<b>70773.89</b>	<b>1479</b>

<b>TOTALS</b>	19630.27	139926.			119744.6	509401.11	8972
---------------	----------	---------	--	--	----------	-----------	------

**A number of projects that are listed in this regard are influenced by various factors:**

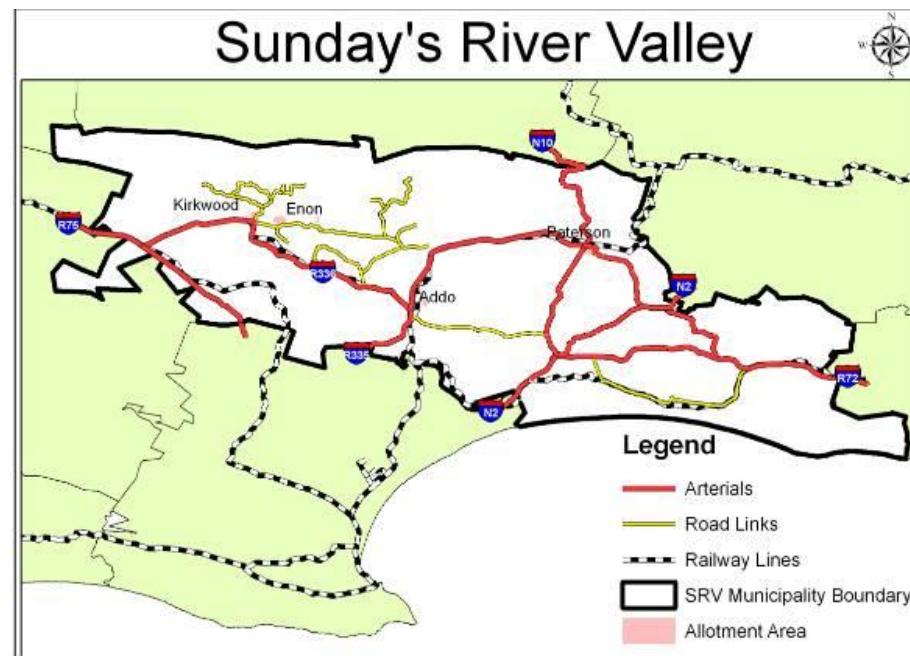
- The key source of funding for infrastructure, namely the Municipal Infrastructure Grant (MIG), first and foremost needs to serve the eradication of backlogs in basic services.
- The expected standard of communities (namely tarred surfaces) reduces the possibility of generating sufficient funding for such projects.
- Although standards in low income and informal settlements are of a far lower standard and in desperate need of upgrading, the maintenance of existing networks in formally established, middle and higher income groups requires financial allocations, particularly in areas where tourism plays a prominent role.

The Municipality is participating in a District Transport Forum. SRVM boast of a rail line that was once used to transport citrus produce to markets but currently it is in serious need for refurbishment as some parts of the rail are no longer serviced and hence inaccessible. In line with the State of the Nation Address with respect to the rejuvenation of the railway transport network, SRVM sees this as an opportunity put forth its railway network for consideration. A new railway line linking Addo and Colchester will be ideal for tourism route development and commuter transport for recreational purposes along the sea. There is an urgent need for the refurbishment of these railway lines in order to cut costs and reduce pressure on roads [the bulky nature of citrus produce is mainly suited for rail transport more than road]. A weigh bridge is the solution to minimise overloading and get some revenue for the municipality.

<b>Area</b>	<b>Length of Bulk Roads (m)</b>	<b>Length of Internal Roads (m)</b>	<b>TOTALS</b>
<b>Moses Mabhida</b>	2,283.44	18,402.01	R 50 565 330.48
<b>Emsengeni</b>	2,091.96	9,073.97	R 28 473 555.19
<b>Kirkwood Town</b>	0	16,023.79	R 57 278 184.76
<b>Aqua Park</b>	1,458.09	3,336.43	R 13 331 030.75
<b>Bersig</b>	800.21	3,160.51	R 10 373 351.74
<b>Enon</b>	1,659.18	11,487.77	R 32 294 270.14
<b>Langbos / Nomathamsanga</b>	4,228.34	35,264.56	R 94 948 834.43
<b>Addo</b>	0	5,178.94	R 11 694 239.06
<b>Valencia</b>	3,071.07	17,182.98	R 51 988 566.19

<b>Patterson</b>	4,037.98	20,815.85	R 62 444 277.46
<b>SUB TOTAL</b>	<b>19,630.27</b>	<b>139,926.81</b>	<b>R 413 391 640.21</b>
<b>ADD PROFESSIONAL FEES</b>		14%	R 62 008 746
<b>SUB TOTAL</b>			<b>R 475 400 386</b>
<b>ADD VAT @ 14%</b>		14%	R 66 556 054
<b>TOTAL PROGRAMME COST</b>			<b>R 541 956 440</b>

The municipal area covers 3507.59 km<sup>2</sup> (6% of Cacadu's to area). It can be accessed through the N10 and N2 national roads as indicated in the following map.



## SUNDAYS RIVER VALLEY MUNICIPALITY RURAL TOWN REVITALISATION PROGRAMME

### Objectives

To improve the level of service of infrastructure in Kirkwood and surrounds. Namely: Roads, Micro Stormwater, aging water and sewer infrastructure

- To facilitate growth through stimulation of local economy.
- To facilitate the skills base of local SMME contractors through training and inclusion of identified packages of works
- To create employment and inject direct capital back into local communities.

Works have been identified to cover the three year MTEF Capital plan. Summarized in table form below and graphically illustrated for Kirkwood and surrounds.

PROJECT TITLE	START DATE	COMPLETION DATE	BUDGET - 2017/18	BUDGET - 2018/19	BUDGET - 2019/20
PLANNING BUDGET					
1. UPGRADING OF KIRKWOOD TOWN INTERNAL ROADS & STORMWATER - PHASE 1	01-Jan-17	31-Mar-17	<b>R 2 000 000,00</b>		
2. UPGRADING OF AQUA PARK TOWNSHIP INTERNAL ROADS AND STORMWATER - PHASE 1	01-May-17	31-Mar-18	<b>R 29 940 000,00</b>		
3. UPGRADING OF BERGSIG TOWNSHIP INTERNAL ROADS AND STORMWATER - PHASE 1	01-May-17	31-Mar-18	<b>R 9 928 000,00</b>		
4. UPGRADING OF KIRKWOOD TOWN INTERNAL ROADS & STORMWATER - PHASE 2	01-May-17	31-Mar-18	<b>R 10 132 000,00</b>		
5. UPGRADING OF MOSES MABIDA TOWNSHIP INTERNAL ROADS AND STORMWATER PHASE 1	01-Oct-18	30-Sep-18		<b>R 15 340 000,00</b>	<b>R 18 095 000,00</b>
6. UPGRADING OF BERGSIG TOWNSHIP INTERNAL ROADS AND STORMWATER - PHASE 2	01-Oct-18	31-Aug-19		<b>R 15 477 000,00</b>	<b>R 11 110 000,00</b>
7. UPGRADING OF ENON SEWER PUMPSTATION AND OUTFALL	01-Apr-18	15-Dec-18		<b>R 8 855 000,00</b>	
8. UPGRADING OF AQUA PARK TOWNSHIP INTERNAL ROADS AND STORMWATER - PHASE 2	01-Apr-18	31-Aug-18		<b>R 2 600 000,00</b>	
8. REHABILITATION OF ASBESTOS PIPES IN KIRKWOOD - PHASE 1	01-Oct-18	31-Jul-19		<b>R 7 728 000,00</b>	<b>R 7 892 000,00</b>
		31-Oct-19	<b>R 52 000 000,00</b>	<b>R 50 000 000,00</b>	<b>R 50 000 000,00</b>

## **2.2.9 Spatial Development Framework**

The Spatial Development Framework was reviewed by service providers (Rural Urban Dynamics) that were procured by the National Department of Rural Development and Land Reform. An inception meeting was held on the 8 February 2012 and an SDF steering committee and Technical committee were set up. The revised SDF has addressed the gaps that were identified in the 2010/11 SDF. Public Consultations were held and the draft SDF was advertised for comments. Comments were effected in the draft SDF and the final SDF were presented to Council on the 30 May 2013 together with IDP and budget. The IDP must be read in conjunction with the SDF as one planning document. It is due for review again in the 2017/18 financial period as its lifespan is a period of 5 years.

The Spatial Development Plan presents the following outcomes:

- Set out objectives, strategies and policies with respect to a desired spatial form for the Municipal area.
- Set out guidelines for Land Use Management
- Indicate desired patterns of land use within the Municipality
- Address spatial reconstruction in line with the principles of National Spatial development
- Provide strategic guidance with respect to location and nature of development
- Identify programmes and projects for development of land
- Interpret and implement the provisions of Land Use Planning Ordinance (LUPO) 15 in a much wider context.

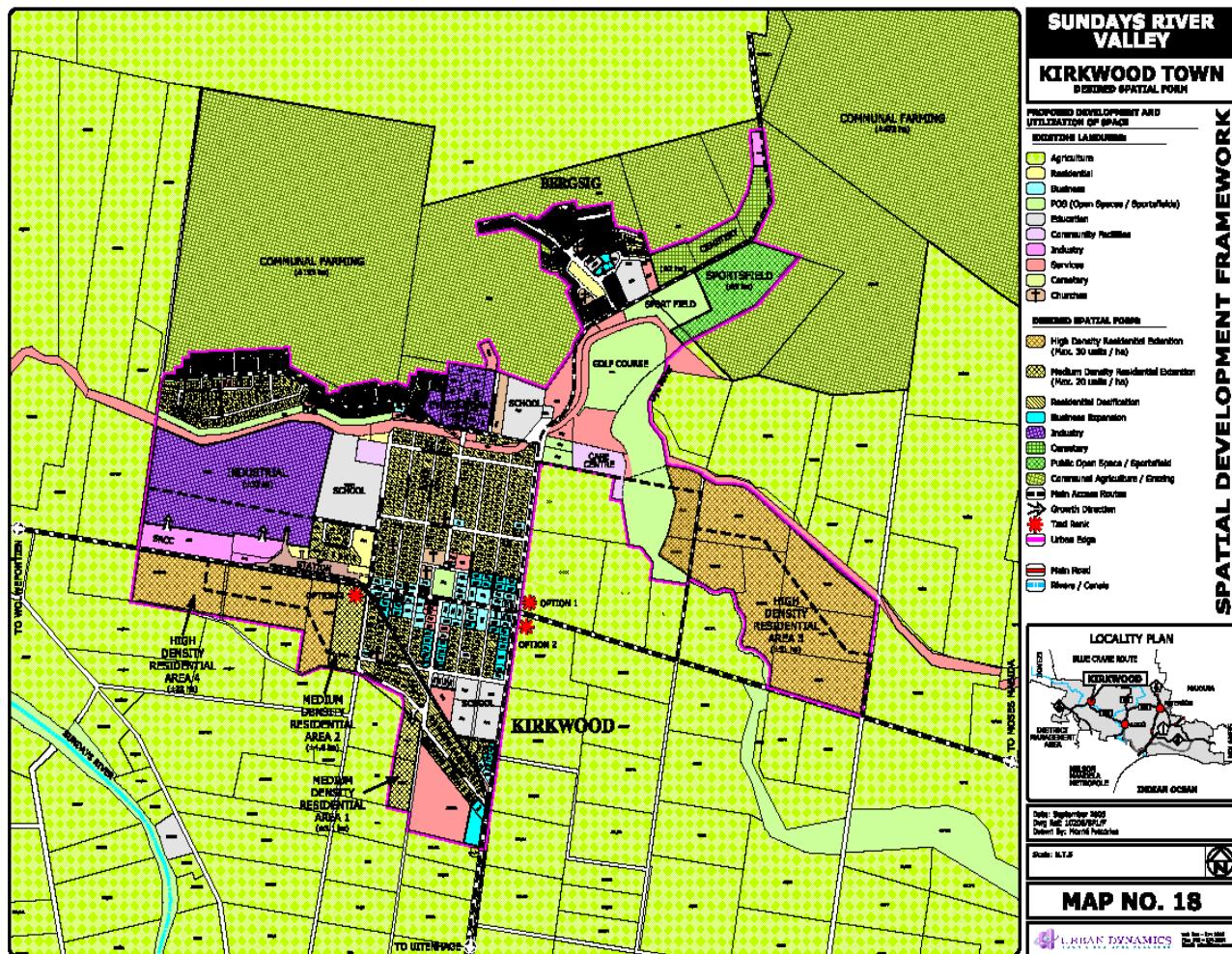
The Land Use Management policies and guidelines as outlined in the SRV SDF deals with the following land use sectors:

- Settlement Hierarchy and Nodal Development
- Conservation
- Tourism and Recreation
- Agriculture and Rural
- Urban Development

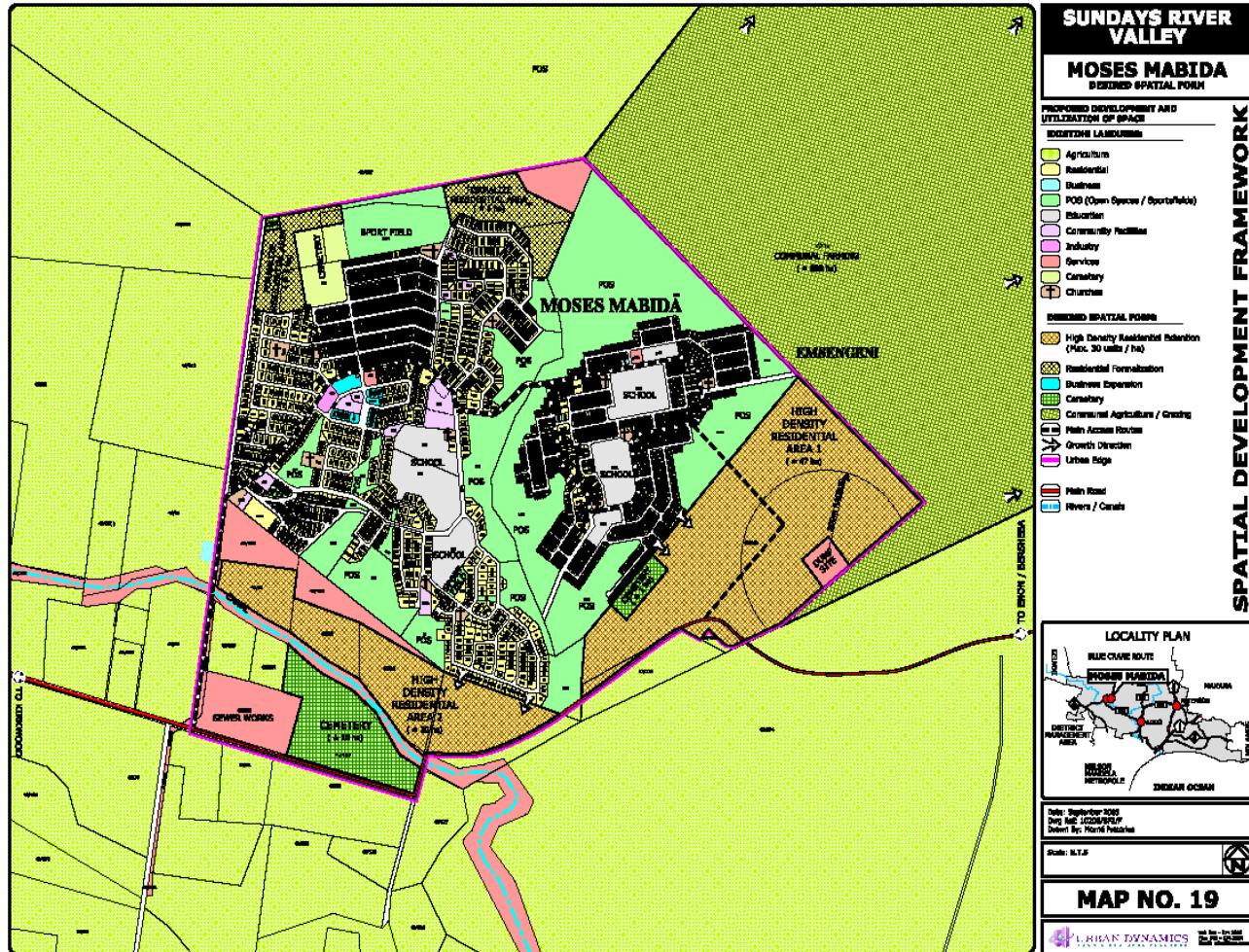
The SDF provides visual representation or maps of the desired spatial form of the Municipality which include:

- Public and private land development
- Desired and undesired utilization of space
- Areas for strategic intervention
- Areas where priority spending is required

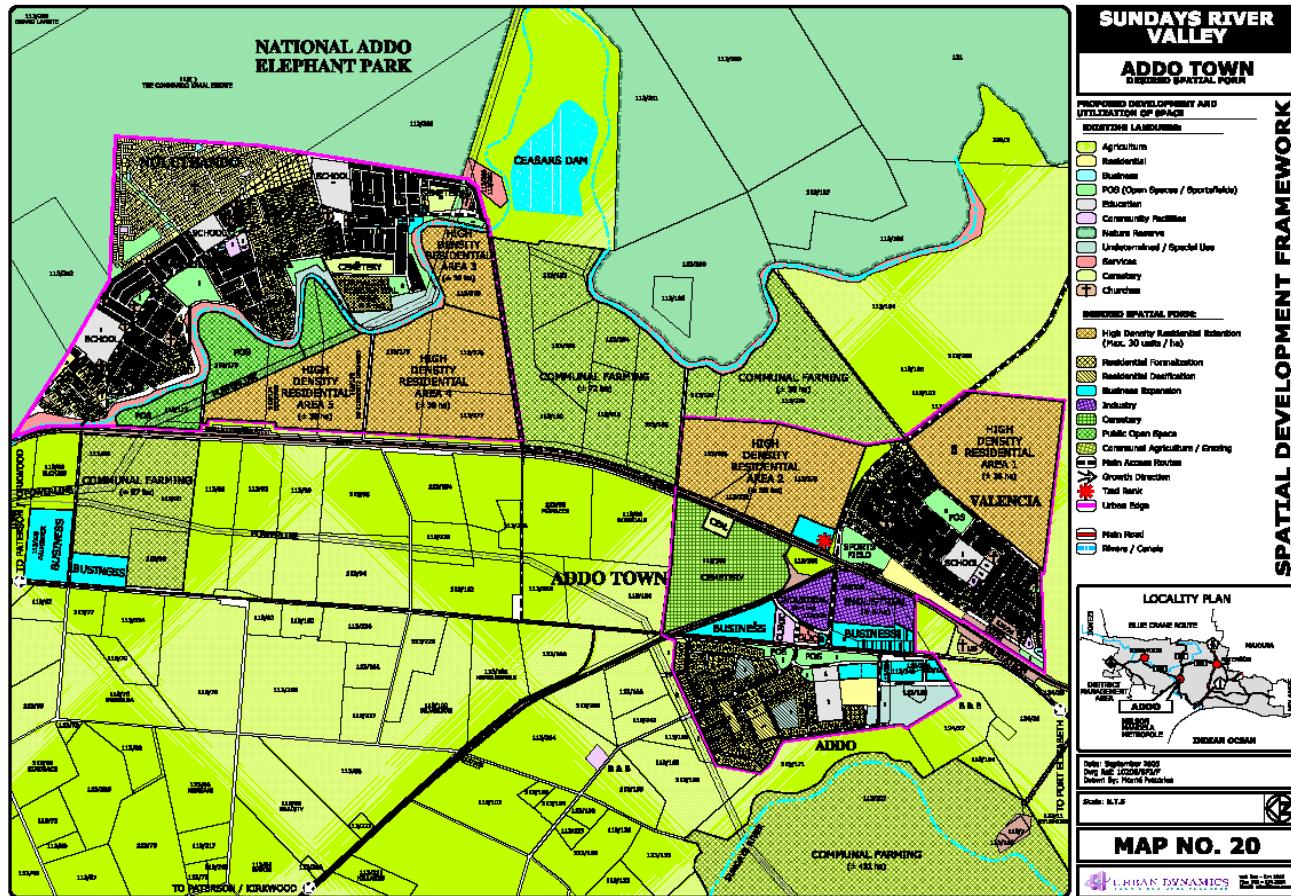
## Kirkwood Spatial Form



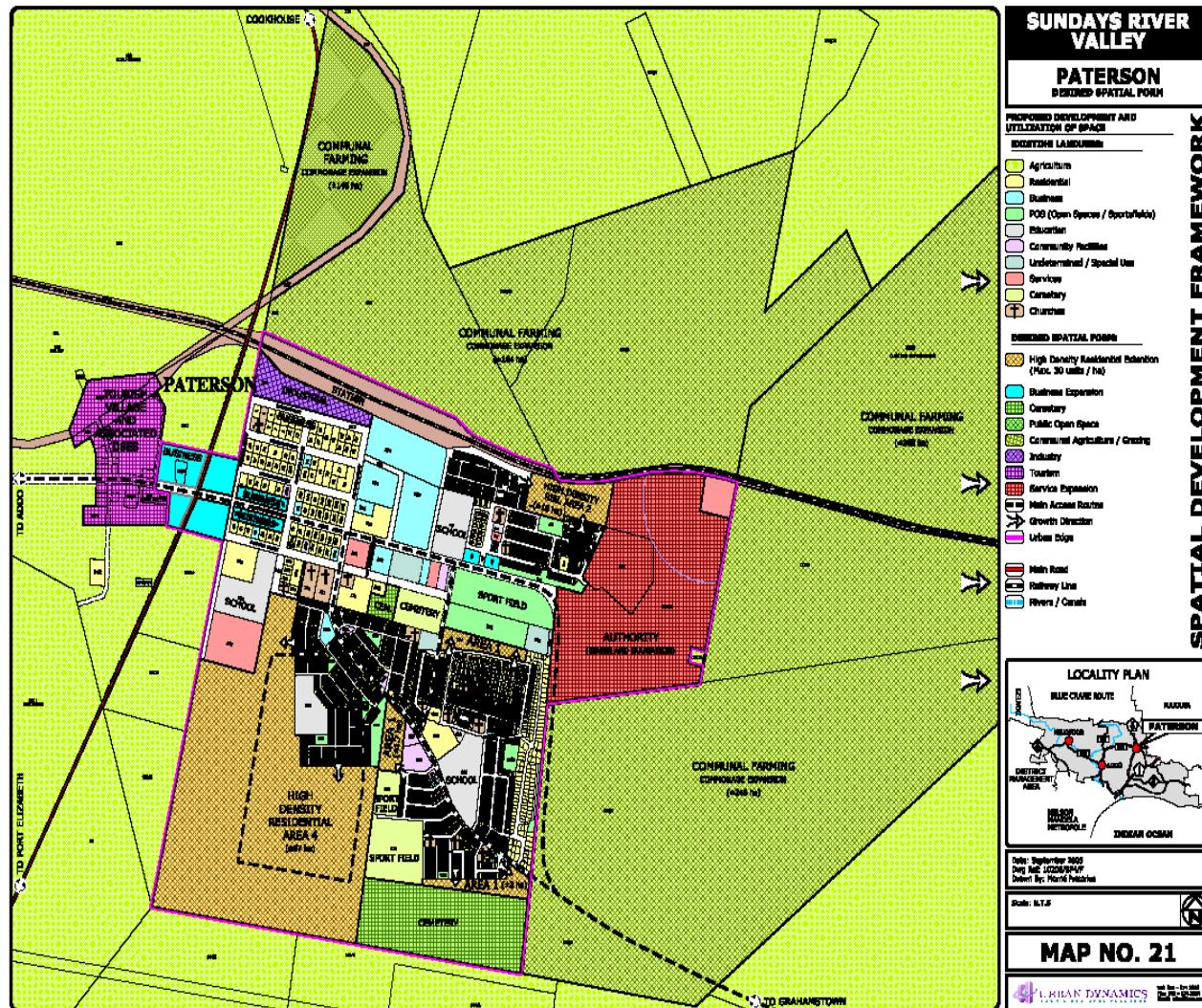
## Moses Mabida Spatial Form



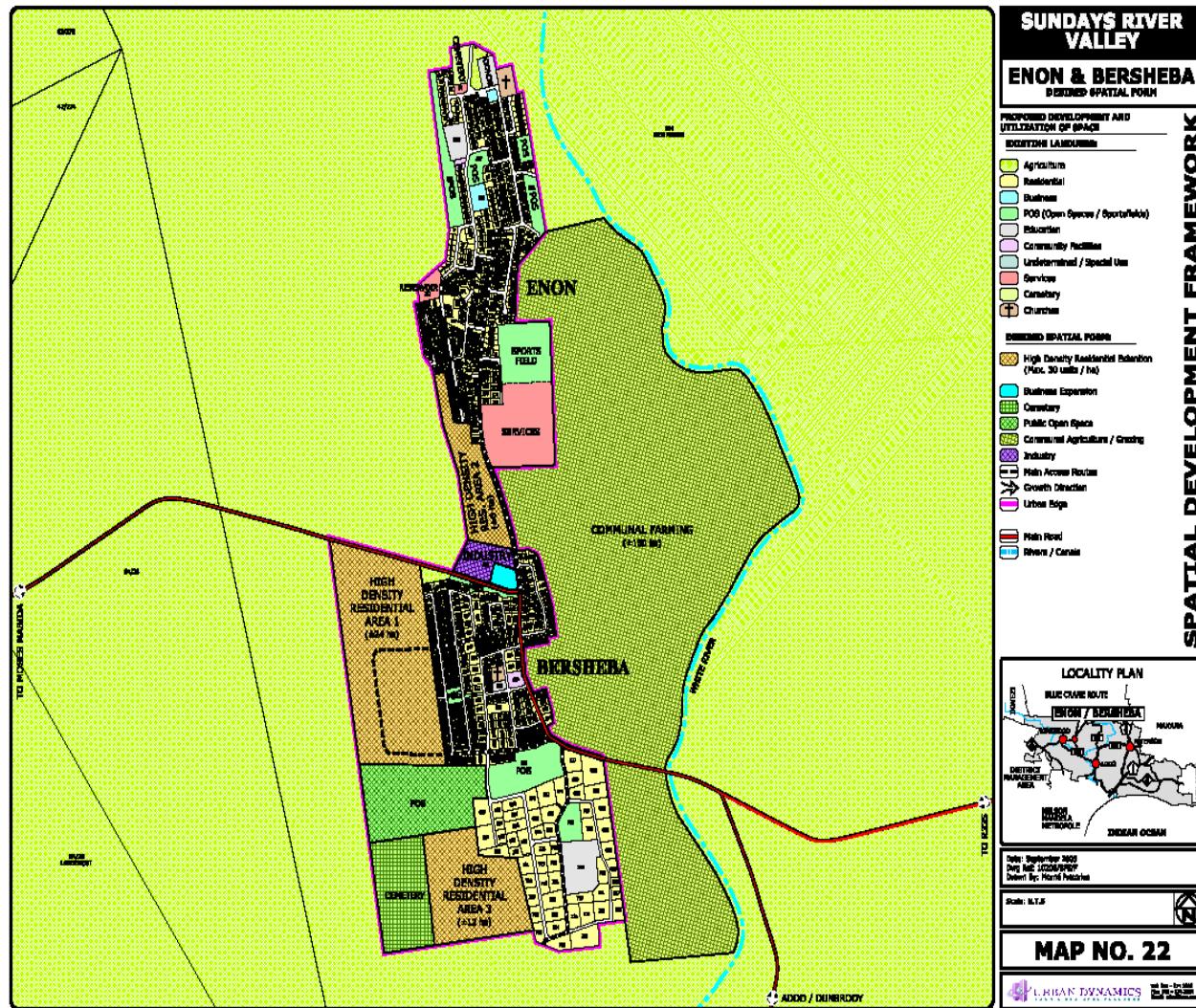
## Addo Nomathamsanqa Spatial Form



## Paterson Spatial Form



## Enon Bersheba Spatial Form



The Municipality was requested by COGTA to submit documents on vacant public land for support, for sustainable social and infrastructural development. The following list of lands and motivations was submitted:

## **2.2.9.1. Vacant Public and Private Land Required**

### **2.2.9.1.1 ADDO AREA (Addo CBD, Valencia AND Nomathamsanqa)**

(Note areas is accordingly to the Spatial Development Plan)

#### **2.2.9.1.2 High Density Residential**

(a) Area 3: Portion 179 of Farm Commando Kraal no 113 Uitenhage RD – Extension for Molly Black Burn housing project:

**Motivation: No land for housing development and for 500 houses approved**

(b) Area 4 Portion 176,177 and 178 of Farm Commando Kraal no 113, Uitenhage RD-Phase two of housing project:

**Motivation: No land for housing development for approved housing development.**

(c) Area 2 Portions 186,225 and 275 of Farm Commando Kraal no 113, Uitenhage RD – High Density Residential, portion for Communal farming and portion for LED – Business Hub.

**Motivation: The area is in the Addo Tourism corridor and is ideal for the Tourism Hub. Employment and Job creation fund is targeted for funding source.**

#### **2.2.9.1.3 Communal Farming**

(a) Area for Communal Farming: Portions 180, 181, 182,184, 185, 187 and 218 of farm Commando Kraal no 113, Uitenhage RD.

**Motivation: Requests for land for commonages have been in our IDP for the past 10 years and land owners do not want to sell.**

#### **2.2.9.1.4 Addo Cemetery**

(a) Portion 306 of Farm Commando Kraal no 113, Uitenhage RD

**Motivation: Cemeteries are full and community uses other wards which are almost full as well.**

## **2.2.9.2 PATERSON AREA**

### **2.2.9.2.2 Communal Farming**

- (a) Portion 2, 6 and 7 of Farm number 113, Alexandra RD

### **2.2.9.3 KIRKWOOD AREA (Include Aqua Park and Bersig)**

- (a) Area 2: Portion 83 of the Farm number 539, Uitenhage RD – Medium Density Residential
- (b) Area 3: Portions 57, 58, 59, 60, 61, 170 and 211 farm Strathsomers Estate number 42, Uitenhage RD – High Density Residential together with Portions 17, 257, 270, 271, 280 and 313 of the farm Strathsomers Estate number 42, Uitenhage RD – (Part of the Emsengei 1500 housing project)

### **2.2.9.3.2 Industrial**

- (a) Portions 52 and 518 of the Farm Strathsomers Estate number 42, Uitenhage RD – Industrial.

## **2.2.9.4 MOSES MABIDA AREA (Including Emsengeni)**

### **2.2.9.4.2 High Density Residential**

- (a) Area 2: Portions 22, 23, 24, 66 and 290 of the Farm Strathsomers Estate number 42, Uitenhage RD – High Density Residential.

### **2.2.9.4.3 Communal Farming**

- (a) Portion 274 of the farm Strathsomers Estate number 42, Uitenhage RD.

The issue of land cannot be separated from a range of other development challenges, for example housing developments and agricultural initiatives. With the completion of the land audit, the Municipality will be in a much better position to use and manage land in line with its strategic direction. To this effect, CDM and Port Elizabeth Land Reform office of the Department of Agriculture and Land Reform have conducted an Area Based Plan and Land availability audit in 2008 to identify appropriate land to implement:

- o Decisions on the optimal placement of settlements in space based on concepts of sustainable development, i.e. how to determine where certain developments (e.g. housing) and support services should be placed regardless of the status of land ownership.
- o The expansion of agricultural development within the District in conjunction with the Redistribution Programs as managed by the Department of Land Affairs (DLA), where portions of land with current or future potential are targeted as possible acquisitions in terms of land reform policy.

**Unfortunately, key challenges still need to be addressed:**

- a. The Spatial Development Framework (SRV) indicates that a total of 82 ha<sup>3</sup> are required for housing developments. This has since tripled but the revised SDF will be able to inform development officials the extent of the land required and specific location.
- b. The LED situation analysis highlights the challenge of the availability of affordable land. The cost of serviced land is estimated at R60 000 – R90 000 per ha. Access to agricultural land includes:
  - ❖ Commonage for livestock
  - ❖ Food security
  - ❖ Unlocking irrigation potential

Enon-Bersheba community owns+ 11000 ha of communal land which is ideal for eco-tourism and agricultural development opportunities. This community has established a legal entity known as Witrivier Communal Property Association for the management of the commonage on the community's behalf. Council has approved terms of reference for the development of business plans for Enon-Bersheba citrus as well as the municipal-owned kk113 agricultural land. The municipality is supported by the National Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Agrarian Reform in such endeavours. Furthermore, lucrative economic prospects such as the public-private partnerships in the development of Enon-Bersheba communal land in the Eastern Cape exist.

Communities are also requesting the upgrading or development of new cemeteries and the Municipality is finding it increasingly difficult to respond to requests due to limited availability of suitable land.

Of SRV's 39 unsettled land claims, only four are for financial compensation and the remaining 35 seek land for livestock (34) and conservation/game (District and Metro profile). These figures need to be compared with the ABP/LAA situational analysis report on restitution status which counts 53 claims. Out of 53, 34 are said to be gazetted, 11 non-compliant, 1 settled and 4 are validated. The slow pace of land reform has resulted in some frustration and impatience in certain wards. This is supported by the African Peer Review panel which suggested that South Africa has to be encouraged to relax market-based approach to land reform and look for more imaginative ways to speed up the land transfer to blacks.

**Table 18: Land acquired**

Land needs are based on a population growth of 3% per annum and a residential density of app. 30 units per ha.

Program	Ha Distributed	% Distributed	Beneficiaries	Rand Value
PLAS	1,278	12	50	27,765,000
SLAG	1,410	25	162	2,016,000
Commonage	0	0	0	0
LRAD	1 719	5	384	32,205,850

**Communities have requested the following:**

- ❖ The upgrading of cemeteries in Enon, Bersheba, Moses Mabida, Paterson, Langbos, West Bank and Valencia
- ❖ The provision of new cemeteries in Midtskraal, Dambrody and Bergsig

A priority indicated by the SDF refers to policy development that ensures speedy planning and development processing.

Linked to this issue is the involvement of the Municipality in projects related to the Department of Land Affairs. The information has not changed since 2009/10 and it will be updated as soon as we receive relevant information. Of the 49%Ha LRAD distribution throughout the district, SRVM accounts for 5%Ha which translates to 1 719Ha, 384 beneficiaries and the land price value is R32,205,850 (DLA CAPEX 2007)

**Table 19: Land Demand for Housing**

Major Town & Settlements	Approved Projects				Housing demand (short/medium term) (SDF/IDP)	Additional land requirement (ha) (SDF/IDP)
	No. of Projects	Houses Completed	Houses under Construction	Total		
Addo	6	1532	802	2334	1710	30
Kirkwood	3	1543	0	1543	1480	33
Paterson	2	0	1050	1050	900	9

<b>Total</b>	11	3075	1852	4927	4090	72
--------------	----	------	------	------	------	----

The Current SDF is due for review in the 17/18 MTEF and funding requests have submitted to MISA within the 16/17 MTEF.

Source: DHLG &TA & LM SDF

## **2.2.10 Housing Delivery**

The SRVM Housing Sector Plan 2014 was reviewed and revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation. SRVM intends all its residents to have access to safe and affordable permanent residential structures with secure tenure, ensuring privacy and providing adequate protection against the tad elements. The vision of this HSP is to create integrated and sustainable communities.

### **2.2.10.1 Housing Demand Profile**

The housing backlog in the Sunday River Municipality is estimated to be 5543 with the largest demand being in Ward 3 and Ward 4 and a section of ward 2 (Bergsig area).

From the situation analysis' socio economic and demographic assessment, the following can be concluded:

- Around 1 749 households in Sundays River Valley presently live within traditional, rental, or informal structures and earn below R6 400.00 per month per household. Of these 1 556 households (or 88.9%) earn below R3 200.00 per month, representing the number of households that qualify for the full subsidy amount available from the Department of Human Settlement.
- The majority – being 8 000 households (or 81%) reside in brick structures, followed by 766 (7.8%) in traditional dwellings.
- Of the 4281 households that reside on farms / rural areas, it is estimated that at least 65% are low-income earners and therefore likely to be farm worker families. Based on this, it is estimated that there are approximately 2 782 farmworker families in the municipality. It is however not clear how many of these households live in inadequate shelter.
- The presence of 263 households presently residing in "informal" flats and / or rooms in backyards and 27 households that presently reside in informal settlements clearly indicate a demand for informal settlement upgrade or rental housing (in cased where occupants of shacks are using the shack as temporary accommodation as opposed to being homeless). However, a dot-count reflects a total of 744 informal structures counted in Addo, Kirkwood and Paterson.

The quantified housing demand based on information from the 2001 Census and 2007 Household Survey can be summarized as follows:

RURAL/FARMS	SOCIAL AND RENTAL	INFORMAL SETTLEMENT STRUCTURES	CHILD HEADED HOUSEHOLDS
<b>2 782 (To be reviewed)</b>	<b>27</b>	<b>344 (744 – dot count)</b>	<b>0</b>

#### 2.2.10.2 Land Requirement for Future Development

Town	Population	Houses		Projects		Land Required
		Formal	Informal	Proposed	Approved	
<b>Kirkwood</b>	10 797		1 400	1 400		<b>33 ha</b>
<b>Aqua Park</b>		277	277	277	276	
<b>Moses Mabida</b>		250	1 300	1 300	250	
<b>Emsengeni</b>		766	766	766	766	
<b>Valencia</b>	10 287	666	1 575	1 575	666	<b>12 ha</b>
<b>Nomathamsanqa</b>		770	1 226	1 226	861	<b>18 ha</b>
<b>Noluthando</b>		0	801	801	-	-
<b>Langbos</b>		-	150	150	-	-
<b>Paterson</b>	4 468	-	-	-		-
<b>Kwazenzele/Moreson</b>		200	800	800	200	<b>9 ha</b>

<b>Emanqindini</b>			450	450	-	-
<b>Enon/Bersheba</b>	2 400	250	850	850	250	<b>10 ha</b>
<b>Total</b>	<b>27 952</b>	<b>3 179</b>	<b>9 595</b>	<b>9 595</b>	<b>3 269</b>	

#### **Housing Sector Plan 2011-2016**

The municipality has acquired former District Management Areas that require provision for housing and land.

- Rural settlements that exist do not require any additional land (With the exception of Kleinpoort and GlenConnor)
- Social and rental housing should ideally be accommodated on under-utilized land parcels central to the urban areas, with good access to existing social and infrastructure facilities and serves.
- Feasibility assessments will be required to determine the potential for in-situ formalization of informal settlements. This will in turn determine the need for land for relocation of structures from informal settlements.
- The alternatives for responding to the housing and care of child headed households will need to be investigated before a conclusion can be reached on land requirement

#### **2.2.10.3 Housing Status Quo**

<b>PROJECT</b>	<b>STATUS/COMMENT</b>
Moses Mabida 198	This was a rectification project. The project has since been stopped. Some houses were entirely completed.
Moses Mabida 250	This was a rectification project. The project has since been stopped. Some houses were entirely completed.
Emsengeni 766	This was a rectification project. The project has since been stopped.

Moses Mabida 750	Project commenced and was never finished
Aqua Park 277	This was a rectification project. The project has since been stopped.
Nomathamsanqa 369	This was a rectification project. The project has since been stopped.
Nomathamsanqa 91	This was a rectification project. The project has since been stopped.
Nomathamsanqa 801	Phase 2 to begin in April 2017. The contractor was reported to be approved but no work commenced.
Langboss 300	Will begin in the 2017/18 financial period. This is a construction of 300 units.
Paterson 155	Completed
Paterson 600	This was a rectification project. The project has since been stopped.
Paterson 450	This was a rectification project. The project has since been stopped.
MoresonKwazenzele Mandela 269	Completed
Emanqindini 450	This was a rectification project. The project has since been stopped.
Paterson 500	New Project - has not been started.
Bersheba 500	New Project - has not been started.
Emsengeni Extension 1500	New Project – has not been started.
Bersheba Enon 450	Completed.
Formalization of informal settlements	Moses Mabida (ward 1), Aqua park and Bergsig (ward 2), Valencia (ward 3), Molly Blackburn (ward 6) and Paterson Emanqindini (ward 4). Project is at initial stages; the baseline has been established.

The developer status for housing resides with the Department of Human Settlements. Housing is in terms of our functional and reporting requirements falls under the technical section. This allows proper coordination between the infrastructure requirements.

#### OUTCOME OF THE STRATEGIC SESSION

## SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Large external funding</li> <li>- Stable political leadership</li> <li>- Booming citrus industry</li> <li>- Cordial relations with business in the area</li> <li>- Sound relationship between politicians and administration</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- Critical vacant posts (senior electrician, building control, spatial planner, PMU, Water Manager)</li> <li>- Office space</li> <li>- Equipment and tools</li> <li>- Storage</li> <li>- Limited communication of municipal information aging infrastructure</li> <li>- Performance management limited to higher positions</li> <li>- Inability to attract qualified personnel in critical posts</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Sector department</li> <li>- Partnerships support</li> <li>- Integrate CWP to roads Repairs programme</li> <li>- Citrus industry investment</li> <li>- AgriPark to be hosted in Addo and surrounding areas</li> <li>- Upgraded tourist information centre</li> <li>- Small town beautification</li> <li>- Sand mining in Paterson</li> </ul>	<ul style="list-style-type: none"> <li>- Acts of vandalism (pump stations)</li> <li>- Deviations (cold mix for Tar)</li> <li>- Crime</li> <li>- High inequality</li> <li>- Migration into the municipal jurisdiction during citrus season</li> <li>- Influx of job seekers</li> </ul>

## INFORMATION BREAKDOWN

Issues	Objectives & Strategies	Indicator	Measurement Source	Frequency	Projects	FUNDING SOURCE
Roads	Upgrade of Gravel Roads to surface roads & serviced Roads. Maintenance of internal Streets	Number of Kilometers of Gravel Roads Upgraded to surface roads Number of Internal Streets maintained	Progress Reports Payment Certificates Engineering Standing Reports	Monthly 6 weeks	OTP – Small Towns Revitalisation Programme ( R50mil) SANRAL ( R30mil) EPWP – R3mil SBDM – R1,2mil MIG – R9mil	OTP – Small Towns Revitalisation Programme ( R50mil)  SANRAL ( R31mil DRPW – R3mil SBDM – R1,2mil MIG – R9mil
Electricity	Upgrading of the Kirkwood Bulk Electrical Network Electrification of Langbos (300 Units)	Upgrading of the Bulk Electrical Network	Progress Reports Payment Certificates Engineering Standing Reports	Monthly 6 weeks	Upgrading of the Kirkwood Bulk Electrical Network	R13mil R935'k

Water	Upgrading of the Kirkwood Water Treatment Works	Upgrading of the Kirkwood Water Treatment Works	Progress Reports Payment Certificates Engineering Standing Reports	Monthly 6 weeks	Upgrading of the Kirkwood Water Treatment Works	R6mil
Sanitation	Upgrading of the Paterson WWTW  Upgrading of the Addo WWTW	Upgrading of the Paterson WWTW  Upgrading of the Addo WWTW	Progress Reports Payment Certificates Engineering Standing Reports	Monthly 6 weeks	Upgrading of the Paterson WWTW  Upgrading of the Addo WWTW	R9mil R4mil Internal
Housing	Noluthando 516	Noluthando 516	Progress Reports Payment Certificates Engineering Standing Reports	Monthly 6 weeks	Noluthando 516	R57mil

#### Recommendations

- All Vacant Critical Posts to be filled.
- CWP to be in-cooperated into the Roads repair programme.
- SMME to be assisted to take over bush clearing on Roads programmes.
- Glencorner Electricity Rate is too high ( R50 > 12units).
- Housing Readiness & land availability LM to lead this process(MPU Post).

- Unblocking Existing Projects
- New Projects 1500 Emsengeni, Green Fields – Enon, Paterson, Langbos, Molly Blackburn.
- Land use Scheme Funded under the Opex Budget.
- SDF & all Master Plans to be revised.

## **2.3 KEY PERFORMANCE AREA: Community and Social Services Function**

### **2.3.1 Community Facilities**

SRVM has a total of nine (9) Community Halls, a total of eight cemeteries and a total of seven sports fields in the areas of Kirkwood, Addo and Paterson and smaller settlement such as Enon-Bersheba and Zuney.

#### **Greater Kirkwood/Upper Valley**

The Greater Kirkwood area has seven schools of which three primary schools and one secondary school is situated in Moses Mabida. The Emsengeni residential extension made provision for the construction of additional schools.

Community facilities are mostly concentrated in Kirkwood, such as community halls, the hospital, and main police station and sports fields. Facilities in Moses Mabida and Bergsig need to be upgraded – particularly, the cemetery site needs to be expanded. The Kuyasa Hall is currently utilised as a community gymnasium. In the Sarah Baartman District, SRVM is the first to have a community gymnasium and Combo Courts in the province. At Enon-Bersheba there are 2 primary schools and two community halls and cemeteries.

- **Lower Valley Addo**

Community facilities are limited to three primary schools and one secondary school (situated in Nomathamsanqa). Two clinics are in operation with a police station, library, 2 sports fields and 2 community halls. The provision of these facilities is not adequate. The facilities are over utilized and upgrading is needed. Sports facilities are limited to two sports fields in Nomathamsanqa and one sports field in Valencia. The sportfield in Nomathamsanqa needs serious upgrading.

- **Paterson and Zuney**

Education and community facilities are limited to three primary schools, a secondary school, clinic, police station, two community halls, a library and a sports field. The Sundays River Valley IDP process identified a number of these facilities for upgrading and expansion. The cemetery in Paterson is close to being full.

Phase 1 in Addo sportfield has been finished. Phase 2 will commence soon. Phase 2 for Nomathamsanqa sport field will also commence soon. Moses Mabida sport-field is in the process of completing phase 2. Paterson sport-field has been completed. Valencia sport-field is in phase 2. Sport-field in Enon is in phase 2, as well as the sportfield in Bergsig.

Sundays River has two (2) recreational fields (playgrounds); Bergsig and Paterson.

### 2.3.2 Health Services

The Sunday's River Valley is demarcated under Kouga Health Sub-district Authority together with Kouga Local Municipality and Kou-kamma Local Municipality. Primary Health Care Service Function has since 01 January 2010 been provincialised and this was to address duplication and fragmentation of services and to create and establish uniform norms and standards and ensure that the service is provided by the single authority (Eastern Department of Health) through District and Sub-district structures.

#### **Health Care Infrastructure**

SET CLINIC		Satellite			Mobiles	
1	3	1	0	1	3	0
Addo Town	Moses Mabida	Addo Town		Paterson		
Nomathamsanqa	Bergsig					
	Kirkwood Town					

#### **Achievements**

- Sundays Valley Hospital has been accredited as an ARV site and it is a baby friendly hospital.
- The Kirkwood Clinic has relocated to Sundays Valley Hospital.

### **Challenges**

The biggest challenge with Health Services is the poor provision of Emergency Medical Services (Ambulance Services) which require serious attention. The other challenge is the sizes of the Clinics, especially in Nomathamsanqa where the community has significantly grown and yet the facility not extended. The other two townships that must be considered for new clinics is Msengeni and Enon/Bersheba. These challenges will be pursued with the Eastern Cape Department of Health.

#### **2.3.3. Education**

The functional area is not the competency of the Sundays River Valley Municipality; however SRVM plays a role of lobbying for the required services by the community. Through IGR structures an integrated approach to development is facilitated. The municipality cannot plan a new housing development without understanding the need and plans of education, for example a new housing development may need a school and a reserved site where such school could be built. Development issues that emanated from IDP community consultation are reflected below:

- Skills training centres are needed in the municipal area
- Learner transport is very critical especially for remote rural areas such as Zuney
- Education support services are needed for children with learning disabilities;
- It is required to introduce skills development for Municipal staff, the community, and especially emerging farmers. Emerging farmers mentorship programme is started and facilitated by the District
- General access to farm schools is problematic and restricts learners from attending school on a regular basis. The Zuney school is an example
- Crèches are needed in Aqua Park, Dunbrody, Midtskraal and West Bank. The Sakhuxolo preschool has since its establishment been sending several correspondences to the Department of Social development complaining about non-recognition of the number of learners despite proofs. That has impacted on the allocation of grants and supervisors suffer consequences. The municipality has in the past tried to intervene but to no avail.
- Langbos has Multipurpose Centre which include a crèche.
- Through Municipal involvement a crèche for Aqua Park is temporary housed at Aqua Park municipal hall.
- School Governing Councils are important institutions that should play a role in municipal planning activities and in ensuring that the quality of education is upheld. These engagements will take place through IGR structures.

### **School enrolment**

School type	Total Number	Total Number	Principal Deputy	HOD	PL1
Primary Schools	15	4198	18	11	93
Secondary	5	2133	7	8	53

### **2.3.3.1 Libraries**

SRVM has four main libraries situated in Kirkwood, Addo and Paterson. Outlying areas and townships are served through four satellite libraries. These satellite libraries are situated in Valleihof Retirement Home (Kirkwood), Enon, Moses Mabida, Valencia and Nomathamsanqa. In addition a mobile library service visits rural schools in the area around Kirkwood town, Malmaisson, Bersheba, Dunbrody, Selborne, Addo and Zuney. The libraries are community centered and present regular outreach and holiday programmes throughout the year focusing on the needs in the communities.

#### Library for Moses Mabida

The new library in Moses Mabida is a vast improvement and library personnel will implement services and outreach activities during 2018/19 to serve the community of Moses Mabida from this new library.

SRVM and DSRAC will in partnership also appoint additional staff for libraries (Librarian, Assistant Librarian and The Library Aides) in ensuring proper staffing at all SRVM libraries.

#### Paterson:

Council approved a proposal for the upgrading, customization and the relocation of Paterson library to building (Remainder 115) by the Department of Sport, Recreation, Art and Culture. DSRAC agreed to the proposal, a building was earmarked and negotiations were underway for the project to be approved by DSRAC. It was subsequently discovered that the identified building was of such poor condition that no library could be established in it.

#### Nomathamsanqa

The library at Nomathamsanqa, situated in Samkelwe Secondary School, does not succeed in serving the whole community as hoped and therefore a new venue for a library needs to be found. It is agreed that the grounds of the Masizahke Hall would be the ideal location for a library. A request was submitted to DSRAC for a new library and Council was requested to resolve formalities and administrative issues in this regard.

However as a new library would be a long term undertaking, an interim measure is crucial and alternative solutions to bring a library service to Nomathamsanqa are being looked at, e.g. container library, utilizing the mobile book wagon or any other viable option.

#### **2.3.4. Safety and Security**

The National Road Agency with Traffic services are conducting meetings on a regular basis to discuss issues of road safety and community safety at large. Regular road blocks are being conducted in major routes N10; N2; R366; R334; R75; R72;

With respect to general safety the municipality still experiences challenges around:

- Medium accident rate
- Municipal by-law with respect to stray animals and hawkers trading areas were promulgated but the level of enforcing them is very low. Peace Officers will attend to these challenges.
- The municipality intends soliciting proposals from potential partners for the development of a pound.
- Crime generally decrease in all areas but Paterson does not show any significant improvement

Although the rate of crime decreased over a period of 6 years (March 2004 to April 2010), there are however specific categories of crime that the community police forums and the police must work on. These stats are not current.

They are:

CATEGORY	ADDO		PATERSON		KIRKWOOD		
	2004	2010	2004	2010	2004	2010	
Total sexual crimes	39	58	9	19	67	77	
Assault with intent to inflict grievous bodily harm	230	191	84	90	489	287	
Burglary at residential premises	198	150	40	47	239	167	
Murder	16	13	2	4	10	19	
Stock theft	47	41	45	17	66	26	

Drug related crime	13	46	5	12	105	88	
--------------------	----	----	---	----	-----	----	--

Enon-Bersheba community in conjunction with the community police forum has requested that the unused mobile clinic at Bersheba be used as satellite police station. The police also support the call and an application to that effect was forwarded to the municipality and approved.

### **Traffic Services**

SRVM is rendering a full traffic service to the communities within the jurisdiction of the Municipality. The services rendered are as follows;

- Law enforcement,
- Traffic emergency services (accidents, incidents & disasters),
- Motor vehicle registration and licensing
- Roadworthy services (currently not functional due to upgrading).
- Drivers licensing functions is partly operational (applications for renewal of drivers' licences; application for learners license; application for driver's license). Regular maintenance needs to be done for the testing route to be compliant with national norms.
- Application for professional driving permits & dangerous goods. We are registered as a grade "A" driver's license testing and roadworthy testing centre.

SRVM will be investigating the construction and establishment of the Weighing Bridge in the area of Addo and Mobile Weighing Spots/Scales across SRVM major National and Provincial Roads. This will improve Law Enforcement and ensure that Heavy Duty Vehicles travelling in our area don't overload and in return damage the existing road infrastructure. This has been transferred to the Office of the Municipal Manager.

### **2.3.5. Disaster Management Plan**

The Disaster Management Act defines disaster management to mean a continuous and integrated multi-sectorial, multi-disciplinary process of planning and implementation of measures aimed at:

- Prevention or reducing the risk of disasters
- Mitigating the severity of consequences of disasters
- Emergency preparedness
- A rapid and effective response to disasters

- Post-disaster recovery and rehabilitation
- All Local Authorities and the District Municipalities are required, in terms of legislation, to prepare disaster management plans as outlined in the Bill.
- Various District Municipalities have embarked on this process on a regional level, including the local municipalities

The draft Disaster Management Plan is available. The District Municipality has developed and adopted a Disaster Management Plan and all Municipalities are encouraged to customise the plan taking into consideration their respective contextualises. The plan will be brought to Council before the 2018/19 financial year. The Disaster Management function has always resided with the District Municipality, the enabling Act has allowed local municipalities to perform this function in conjunction with the District and as a result the following functions now apply

- Disaster prevention/risk reduction Disaster mitigation priorities and the promotion of sustainable livelihoods
- Disaster preparedness
- Disaster response and relief
- Post disaster recovery, rehabilitation and reconstruction
- Establishment of effective management of the function
- Strategies to ensure the involvement of the community and volunteers
- The Emergency Centre in Paterson is required

The staff compliment in the Fire & Disaster Unit is eight, inclusive of the Chief Fire Officer. There is chief fire officer in fire division and the section is coordinated by the Director of Community Services. Additional three of the fire fighters in the Unit are appointed through the funding from the SBDM in line with the Service Level Agreement entered into between SRVM and SBDM.

There are plans in place to operationalize a Satellite Station in Addo which will assist the response related to fires and disasters and this again is in line with SRVM Council resolution of decentralisation and improvement of Emergency Services,

### 2.3.6. Environmental Health Services (Municipal Health Services)

Municipal Health Services (MHS) what was historically known as Environmental Health and MHS is a function and a competency of Sarah Baartman District Municipality (SBDM) and SRVM is rendering MHS on behalf of SBDM in its area of jurisdiction. The Municipality is responsible for Municipal Health services which mainly focus on:

- Water quality monitor
- Communicable disease

- Waste Management
- Disposal of Dead.
- Food control
- Food premises licenses
- Health surveillance of premises

SRVM through the Service Level Agreement (SLA) that entered into with SBDM is allocated annual subsidy from the SBDM for this service (MHS). In order to render MHS, SRVM appointed two Environmental Health Practitioners (EHP's) in its staff establishment.

Emanating from complaints about poor quality of water and waste management, Council has resolved that the budget for Environmental Health (MHS) is mainly focused on water quality monitoring, cleaning of illegal dumping spots, education and awareness programmes. The above focus areas are elaborated herein under:

#### **a) Waste Management**

The municipality has a fully integrated waste management service which is executed by the department of Community Services (household collection, transportation and disposal) and Technical Services currently responsible for the management of the Landfill Sites. Refuse is collected two days per week in business areas and once for residential areas per week. In Lower Valley which include Addo, Valencia, Nomathamsanqa, Paterson, KwaZenzele, Moreson and Enon-Bersheba (Upper Valley) waste is collected by local Co-operatives.

There are three landfill sites in the Sundays River Valley Municipal area of jurisdiction, with all three fully operational. Two landfill sites (namely Kirkwood and Sunland) which in the past were a challenge as they were illegal (without an operating license) are currently licensed and the only challenge is in the poor management of the sites; hence funds will be sought from the National Department of Environmental Affairs (DEA) through their Environmental Protection Infrastructure Programme (EPIP) and any other funders in the coming financial period. This is to improve the status of the landfill Sites and to ensure compliance with the License Condition and the requirements of the Waste Act. The current Integrated Waste Management Plan (IWMP) was done with the assistance of the Sarah Baart District Municipality. For the maintenance of the landfill sites we have entered into a service level agreement for the Sunland landfill site. The two remaining sites are maintained by the municipality at scheduled intervals.

### **b) Water Quality Monitoring**

The SRVM has three (3) Water Purification Plants (Kirkwood, Addo and Bersheba). Drinking water quality is being monitored on a monthly basis for bacteriological and chemical analysis as required and in compliance with the National Health Act and its quality measured against SANS 241 and the SRV sampling points are as follows:

- Kirkwood Town Clinic
- Kirkwood Water Purification Plant
- Bergsig Clinic
- Moses Mabida Community Hall
- Enon Post Office
- Bersheba Water Purification Plant
- Bersheba Albert Stores
- Addo Water Purification Plant
- Nomathamsanqa Communal Tap
- Sonwabo Street
- Valencia Apolis Street
- Moreson Stand Pipe
- KwaZenzele Communal Tap
- Glenconner
- Kleinpoort

On a monthly basis a total of fifteen (15) drinking water samples are taken to the laboratory for analysis. The results received from the laboratory are interpreted to ensure compliance, if there is a non-compliance; a re-sampling is taken to the laboratory within 7 days to check if the failure is repeated. If the failure is repeated in the re-sampling the early warning is sent to the Infrastructure and Technical Services for further investigation and intervention and the affected communities are alerted through issuing "Boil before Use Notice" as a precautionary measure and in the interest of public health protection. The results are reported to the Department of Water Affairs on a monthly basis through eWQMS.

#### **2.3.7. Environment**

The Spatial Development Framework provides a detailed analysis of the topography, vegetation and geology of the area. Of particular interest to the IDP we include the sections relating to recreation, tourism and conservation, considering their high relevance to the local economic development framework.

The Municipality has engaged with these sectors via participation in partnerships such as the Mayibuy'indlovu Development Program and the Addo Elephant National Park. Learners visit the park for environmental education programmes, and also involved in Water Week Celebrations, Arbour Day, Marine Week, National Science Week, Women' Day, Youth Day, South African National Parks Week and the CWP.

The Environmental Management Plan (as required by the IDP) is limited to the involvement of the Municipality with the Cacadu District Municipality process. Waste management at the municipality's waste sites does not comply. EIA needs to be conducted by external auditors from DEAT in order to manage waste site effectively. Currently all three waste sites are not registered. Poor management of waste site has a detrimental effect on the environment. The necessary step need to be followed include among other: Proper management tools i.e. IWMP; fencing of sites; monitoring gates; waste recording; recycling; waste minimising; waste management awareness.

**Key environmental legislation requires that the IDP is aligned with:**

- The National Environmental Management (107 of 1998): The Municipality must provide services sustainably, encourage cooperative environmental governance and ensure that EIAs and Basic Assessments are implemented where required.
- The National Environmental Management: Biodiversity Act (10 of 2004): The Municipality should compile an alien plant management plan for municipal owned land, and must consider threatened ecosystems (the Endangered Albany Alluvial Vegetation as integrated into the Biodiversity Sector Plan & SDF), while aligning with the National Biodiversity Framework (NBF), 2009 (gazetted in terms of this Act). The NBF requires municipalities, with other lead agents (e.g. Eastern Cape Parks), to assist with establishing provincial stewardship programmes, including managing alien invasive plants.
- The National Water Act (36 of 1998): The Municipality should not undertake activities that cause pollution of water resources, ensure that township developments include a 1:100 flood line on proposed layout plans, and it gives effect to the purpose of the Act (i.e. water resource protection)
- The National Environmental Management: Integrated Coastal Management Act (24 of 2008): The Municipality should develop a coastal management programme. In the case of the SRVM, the majority of the coastline is designated as a formal Protected Area and managed by South African National, apart from a small stretch south of Springmount.
- The National Environmental Management: Waste Act (54 of 2008): The Municipality must integrate its waste management plans with its IDP to secure ecologically sustainable development.
- The National Forest Act (84 of 1998): The Municipality should not remove forest without an authorisation from the Department of Forestry.

Numerous policy documents require the consideration of biodiversity in municipal planning for sustainable development, e.g. The National Spatial Development Perspective (2003), The National Strategy for Sustainable Development (2006), and The National Framework for Sustainable Development (2008), while the Provincial Spatial Development Framework requires the integration of important biodiversity areas, such as Critical Biodiversity Areas. The IDP is therefore required to be aligned with national and provincial programmes and strategies in terms of the Local Government: Municipal Systems Act (32 of 2000). Importantly, the Constitution (108 of 1996) necessitates ecologically sustainable development, as stated in the environmental clause of the Bill of Rights.

The recreation and tourism potential of the SRV area is fairly well developed with tremendous potential for further expansion and improvement. Recently, the area has gained a strong reputation as a tourism destination due to the development of conservation and eco-tourism in the area, with specific reference to the Greater Addo Park initiatives. A number of tourism and conservation initiatives are currently underway with a large increase in eco-tourism and game farm orientated activities.

The expansions of the Addo Elephant National Park or the Greater Addo Initiatives are playing a major role in tourism and development in the area. This strength will continue and expand in the future with an emphasis on the eco-tourism and gaming industries. The Sunday's River Municipality is currently playing an important role with respect to these initiatives.

Accommodation in the form of bed and breakfast establishments and guesthouses outside game farms on the Addo Park boundary are secondary uses which show an increase in popularity and growth. A number of guidelines in support of the growing tourism industry with respect to Land Use Management are included in this Spatial Development Framework. Existing initiatives by the Municipality in preparing a Tourism Plan and Local Economic Development Plan should further enhance the tourism potential of the area.



A number of provincial, local and private reserves and nature areas exist within the study area. The STEP and Greater Addo Park project are further contributing to the conservation potential of the area.

***The following nature and conservation areas are dominant in the study area:***

- Addo Elephant National Park including Kuzuko Game Reserve, Woody CapeNature Reserve, Alexandria Coast Reserve, Alexandria State Forest, San Soucie, Boschhoek, Boxwood and Congos Kraal
- Inthaba Lodge
- Goodhope Reserve
- VoetpadskloofCitruslandgoed
- Scotia Safaris
- Shamwari Game Reserve
- Amakhala Game Reserve

It is of significance to note that planning domain of the Greater Addo Park initiative includes the towns of Paterson, Addo and Kirkwood.

**Greater Addo Elephant National Park Project**

The spatial and economic impact of the Greater Addo Park within the study area is of critical importance, specifically regarding future planning and development and the integration of park activities and settlement patterns within the Sunday's River Valley Municipal area.

Expansion plans for the Park are focused around the establishment of a 372 000 ha terrestrial zone in addition to a 120 000 ha marine reserve which would include the Bird and St Croix Islands group in Algoa Bay. These plans would see Addo becoming the third largest conservation area in South Africa after the KgalagadiTransfrontier Park and Kruger National Park. The expansion includes opportunities not only for a core conservation area managed by the SANParks, but also makes provision for a private contractual area within the planning boundary. Driving the expansion are efforts to conserve representative examples of the varied landscapes and their associated biodiversity patterns and processes, while simultaneously promoting sustainable development and eco-tourism in the region.

Critical to the expansion of Addo is the identification of a key area within a greater planning domain, loosely related to the proposed 'Greater Addo' boundary, which would conserve the unique features of the area. The dynamic conservation plan developed by the consultants for the region will allow SANParks to make informed decisions around which area should be prioritised for such conservation efforts.

It is the vision of SANParks that a critical core conservation area will be established that would be in excess of 250 000 ha and would be able to support viable free ranging populations of the 'Big 5' tourist draw cards. However, the Park will offer much more than just the lure of the 'Big 5' in a malaria free environment. With the proposed inclusion of a marine protected area, species such as the southern right whale and great white shark are guaranteed to ultimately make the park a 'Big 7' destination. Furthermore, with the emphasis on the conservation of biodiversity, a complete wildlife experience is possible across a series of landscapes unrivalled in beauty, all within a single conservation area. At the moment the bulk tourism activities are restricted to the main elephant camp, which is only some 13 500 ha.

At the moment Addo receives about 115 000 visitors each year, of which 50% are foreign, and this figure is on the increase. A number of new developments are on the horizon to cater for a range of visitor aspirations from the first-time visitor or wildlife generalist, to the specialist, with the prime objective being to accommodate tourists for a longer period in the Park.

Not the least of these includes a new entrance gate and camp being planned near the Sunday's River and the N2 national road. Accommodation will range from the standard SANParks camps/camping sites and bush camps accessible to non 4x4 traffic, to sophisticated, "up-market" camps operated by concessionaires. Any developments will take place in designated zones to minimize the impact on sensitive environments.

The Park expansion also has opportunities for local communities to derive benefits from the Park. Developments and a number entered into sector are being run by a private tour operator, Bukani Tours.

The plans for expansion have also seen the creation of a suite of broader based forums and focus groups that include representation from local communities, business, tourism and industry.

## People and Parks Project

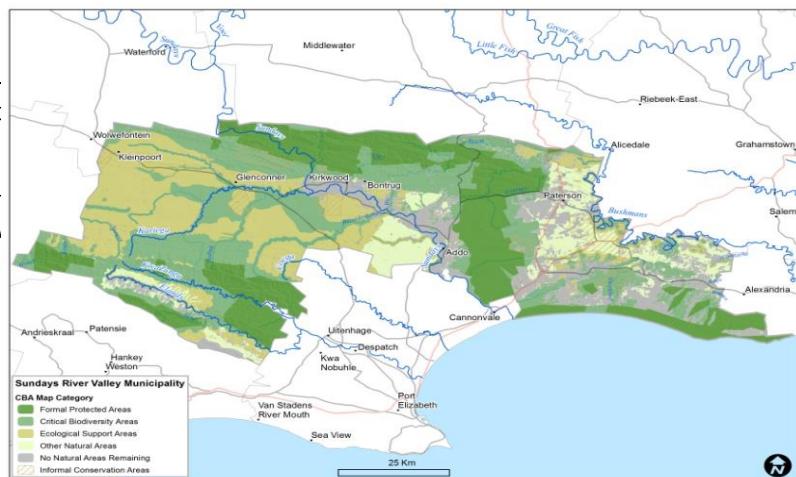
This project is supported by **Resource Africa**; it educates people about the parks and the Tangible and intangible benefits from the parks. Also about the seasons that the traditional healers can be allowed to dig their roots. Resource Africa auditioned traditional groups around SRV and the group from Paterson took the first place they going to be awarded by the equipment.

## The Biodiversity Sector Plan for the Sundays River Valley Municipality (2012)

The Biodiversity Sector Plan (BSP) for the SRVM represents the biodiversity informant for all multi-sectoral planning procedures, such as the Integrated Development Plan and Spatial Development Framework. It is intended to support land-use planning and decision-making in order to achieve the sustainable development agenda. The BSP is comprised of a relatively fine-scale Critical Biodiversity Areas (CBA) Map, mapped at a scale of 1:20 000 (Skowno and Holness, 2012) (Refer Figure 1). Associated with the CBA Map is a set of biodiversity-compatible land-use guidelines, including a series of land and water use management guidelines. The BSP also includes an explanatory handbook (with a biodiversity profile) and the various maps used to prepare the CBA Map (e.g. vegetation, rivers, wetlands and land cover)<sup>4</sup>.

The CBA Map has refined the spatial accuracy of the Eastern Cape Biodiversity Conservation Plan's (ECBCP) CBA Map (Berliner and Desmet, 2007<sup>5</sup>), including the Subtropical Thicket Ecosystem Programme (STEP) Map (Cowling *et al.*, 2003<sup>6</sup>). In other words, it is a more accurate spatial representation of important biodiversity areas in the SRVM and therefore supersedes the aforementioned maps. The CBA Map divides the landscape into formal Protected Areas, Critical Biodiversity Areas, Ecological Support Areas, Other Natural Areas and No Natural Areas Remaining. The first three categories represent the biodiversity priority areas, which should be maintained in a natural to near-natural state, with low intensity developments possible. The remaining two categories are not considered biodiversity priority areas, and can be targeted for sustainable development. The land use guidelines are specified for Critical Biodiversity Areas and Ecological Support Areas, while the general land use management guidelines are specified for Critical Biodiversity Areas, Ecological Support Areas and Other Natural Areas.

<sup>4</sup>The produ  
Environment  
<sup>5</sup>Berliner, D.  
2005-012, Pr  
<sup>6</sup>Cowling R.  
conservatio



inning and Implementation: Conservation Services).  
chnical Report. Department of Water Affairs and Forestry Project No  
ight A., Vlok J.H.J., Pierce S.M., Boshoff A.F. and Wilson S.L. 2003. A  
earch Unit Report No.43, University of Port Elizabeth.

**Figure 1:** The new, relatively fine-scale Critical Biodiversity Areas (CBA) Map for the Municipality (1:20 000) (Skowno and Holness, 2012)

#### **SWOT Analysis**

- **Strengths**
  - Community Support – providing the following services of to the community:
    - Library services
    - Sport, arts and culture
    - Environmental health services
    - Cleansing and parks
    - Fire services and'
    - Traffic services
  - Public have access to the above mentioned services
- **Weaknesses**
  - Externally funded by DSRAC (Libraries) & SBDM (Environmental Health and Fire Services)- SRVM might not have full control of budget
  - Shortage of staff in different section of department
  - Limited budget for operational and capital
  - Shortage of transport for fire services
- **Opportunity**
  - Availability of Library services to the community of Paterson
  - Revenue enhancement strategy – more revenue for the municipality

- Library services – reach more public and bring services close to the community
- Threats
  - Theft and break in
  - Vandalism
  - Corruption
  - HIV/Aids

## 1. LIBRARY SERVICES – KWAZENZELE, PATERSON

<b>Objective 1</b>	To bring Library Services closer to the community of Paterson
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Identify the piece of land where library will be relocated.</li> <li>• Solicit funding from DSRAC</li> <li>• Develop building plans/designs for the library</li> <li>• Implement project</li> </ul>
<b>Project Name</b>	Relocating, upgrading and customising of Paterson library
<b>Budget</b>	Funding from DSRAC
<b>Time Line</b>	<p>2017/2018- Planning and design</p> <p>2018/2019- Starting Project</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• Planning&amp; Design phase completed year 1</li> <li>• Year 2- Project Advertised</li> <li>• Year 3- Building of library</li> </ul>

## 2. LIBRARY SERVICES – NOMATHAMSANQA, ADDO

<b>Objective 2</b>	To bring Library Services closer to the community of Nomathamsanqa
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Apply for access to the land/ site opposite the Masizakhe Community hall where a permanent structure for the library will be erected.</li> <li>• Provide an interim Library Services using the mobile book wagon</li> </ul>
<b>Project Name</b>	Establishing Library Services to Nomathamsanqa Communities

<b>Budget</b>	Funding from DSRAC
<b>Time Line</b>	<p>2017/2018- Submit application/report to Council in order to get permission for the project</p> <p>2017/2018 Mobile Library (book wagon) made available</p> <p>2018/2019- Starting Long term Project</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• 2017/2018 – Mobile Library available</li> <li>• 2018/2019 – Develop Plans/ Designs for structure</li> <li>• 2019/2020 – Project Implementation</li> </ul>

### **3. SPORTS, ARTS AND CULTURE – COMMUNITY HALLS**

<b>Objective 1</b>	To provide safe facilities for the Community
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Conduct a technical analysis of the status core ALL the community halls within SRVM</li> <li>• Submit a detailed report of the analysis to the Standing Community.</li> <li>• Submit a request for soliciting to services to repair the facilities to the Finance Department.</li> <li>• Conduct Community Awareness programs to sensitize them on better taking care of their own facilities</li> </ul>
<b>Project Name</b>	Refurbishing & Upgrading of ALL Community Halls within the SRVM area of jurisdiction
<b>Budget</b>	Funding from DSRAC
<b>Time Line</b>	<p>2017/2018- Detailed report submitted to Standing Committee</p> <p>2017/2018 – Start minor repairs</p>

	2018/2019- Apply for funding from SRVM for major repairs and maintenance
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• Two (2) Community Halls per year</li> </ul>

#### 4. CEMETERIES

<b>Objective 2</b>	To Fence Municipal Cemeteries and to ensure access control
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Establish a cost analysis for the project</li> <li>• Submit a report to the Standing Committee</li> <li>• Request funding from SRVM budget</li> <li>• Implement project</li> </ul>
<b>Project Name</b>	Fencing of Bergsig, Sunland and Valencia Cemeteries
<b>Budget</b>	Internal Funding/ SRVM
<b>Time Line</b>	<p>2017/2018- Cost analysis report submitted to Standing Committee</p> <p>2018/2019 – Request for funding</p> <p>2018/2019- Starting Project</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• Fencing projects completed in 6 months (2018/2019)</li> </ul>

#### 5. MUNICIPAL HEALTH SERVICES – ENVIRONMENTAL HEALTH

<b>Objective 1</b>	To help communities understand and develop good hygiene practices ( Prevent Communicable Diseases)
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Conduct Health &amp; Hygiene Workshop and Trainings</li> <li>• Provide educational/promotional materials.</li> </ul>
<b>Project Name</b>	Health and Hygiene Awareness & Campaigns
<b>Budget</b>	SRVM EHS Grant

<b>Time Line</b>	Quarterly and as when needed
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• 4 Campaigns a year</li> </ul>

<b>Objective 2</b>	Ensure food & water safety through monitoring
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Collecting Water Samples</li> <li>• Collecting Food Sampling</li> <li>• Submitting samples to accredited laboratories for analysis</li> </ul>
<b>Project Name</b>	Food & Water Safety Monitoring
<b>Budget</b>	SRVM EHS Grant
<b>Time Line</b>	<p>Water Quality monitoring- Monthly &amp; as when needed</p> <p>Food Sample monitoring- Quarterly &amp; as when needed</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• All Wards/ Communities</li> </ul>

#### **6. CLEANSING AND PARKS – LANDFILL SITES**

<b>Objective 2</b>	To improve and sustain the condition of landfill sites.
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Solicit service providers for the maintenance and fencing of landfill sites</li> <li>• Seek funding from DEDEA for the upgrading of landfill sites.</li> <li>• Clearing and Converting illegal dumping sites into recreational parks</li> </ul>
<b>Project Name</b>	Upgrading & Maintenance of Landfill Sites
<b>Budget</b>	<p>Internal/ SRVM</p> <p>Funding from DEDEA</p>
<b>Time Line</b>	2017/2018 – 1 <sup>st</sup> July appointment of service provider(s) for the maintenance and fencing of landfill sites

	<p>2017/2018 – Submitt report to Standing Committee on the status core of the landfill sites</p> <p>2017/2018 – Apply for funding to DEDEA</p> <p>2017/2018 – Implement project ( Site Office, Water and Sanitation Connections)</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• Maintanance of landfill sites done quarterly</li> <li>• Upgrading of all three (3) landfill sites 2018/2019</li> </ul>

#### **7. FIRE SERVICES – PURCHASE FIRE VEHICLES**

<b>Objective 1</b>	To save lives and property and render a humanitarian services
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Safe response &amp; being on time</li> <li>• Purchasing new and suitable fire response vehicles</li> </ul>
<b>Project Name</b>	Purchasing Fire Vehicles
<b>Budget</b>	SRVM
<b>Time Line</b>	<p>2017/2018- Submit status core report to Standing Committee</p> <p>2017/2018 – Submit request to purchase vehicles to Finance Department.</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• 2018/2019 – 3 Vehicles to have been purchased.</li> </ul>

#### **8. FIRE SERVICES – RENOVATION OF FIRE STATIONS**

<b>Objective 2</b>	To safe keep municipal assets (vehicles), protection of communities during disasters
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Renovation of the Kirkwood Fire Station</li> <li>• Building of satellite Stations (Addo and Paterson)</li> </ul>
<b>Project Name</b>	Renovation and Establishment of Fire Stations
<b>Budget</b>	SRVM
<b>Time Line</b>	<p>2017/2018- Developing building plans</p> <p>2018/2019- Starting Project</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• 2018/2019 – Project Implementation</li> </ul>

#### **9. TRAFFIC SERVICES – BUILDING OF LAW ENFORCEMENT OFFICES**

<b>Objective 1</b>	To have an operational centre from where Law Enforcement Officers will operate
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Identify land for the offices/building</li> <li>• Develop plans</li> </ul>
<b>Project Name</b>	Building of Law Enforcement Offices
<b>Budget</b>	DBSA Loan
<b>Time Line</b>	<p>2017/2018- Develop building plans</p> <p>2017/2018 – Apply for DBSA loan</p> <p>2018/2019 – Start Project</p>
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• 2019/2020 – Project Implementation</li> </ul>

#### **10. TRAFFIC SERVICES – REVENUE ENHANCEMENT**

<b>Objective 1</b>	To increase revenue for the municipality to subsidies the services.
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Appoint service provider to run a call centre</li> <li>• Establishment of warrant arrest section</li> <li>• Recover the outstanding fines that is due to the municipality</li> </ul>
<b>Project Name</b>	Revenue enhancement
<b>Budget</b>	Funded by the project
<b>Time Line</b>	2017/18
<b>Annual Target</b>	<ul style="list-style-type: none"> <li>• To generate R700 000 per year.</li> </ul>

#### **2.4. KEY PERFORMANCE AREA: Local Economic Development**

##### **PHASE 1 – SITUATION ANALYSIS**

###### **A. Is the socio-economic analysis underpinned by quality assured data? (Source and up-to-date)**

The source used for data is accredited and has reference. Most of the data is recent. Following are the sources of data:

- Stats SA 2016 Community Survey
- ECSECC 2016
- QUANTEC 2016
- Stats SA
- Population by Gender and Growth Rate

<b>Total Population</b>			<b>Growth Rate</b>
<b>Age group</b>	<b>2011</b>	<b>2016</b>	<b>2011-2016</b>
0-4	5682	5001	-2.55
5-9	4839	5923	4.04
10-14	4057	6495	9.41
15-19	4560	6162	6.02

20-24	5344	5095	-0.95
25-29	5473	5784	1.11
30-34	4341	5013	2.88
35-39	4254	4422	0.77
40-44	3787	3721	-0.35
45-49	3145	3500	2.14
50-54	2679	2191	-4.02
55-59	2055	2342	2.61
60-64	1451	1556	1.40
65-69	993	1178	3.42
70-74	829	469	-11.39
75-79	441	474	1.44
80-84	283	340	3.67
85+	290	127	-16.51
<b>TOTAL</b>	<b>54503</b>	<b>59793</b>	<b>1.85</b>

Source: Stats SA: 2016 Community Survey

#### Population Group

Table 1	Population group				
	Black african	Coloured	Indian/asian	White	Grand Total
Sundays River Valley	41,650	17,086	309	748	59,793

#### Population by Gender

Table 2	Gender		
	Male	Female	Grand Total

Sundays River Valley	31,136	28,656	59,793
----------------------	--------	--------	--------

Highest Education Levels

Education level	Number
No Schooling	6819
Grade 0 - 5	16466
Grade 6 - 11	28372
Grade 12	5831
N4	51
N5	25
N6	30
Diploma	324
Bachelor's Degree	88
Honors	27
Masters	36
Other	269
Do not know	1224
Unspecified	232
<b>TOTAL</b>	<b>59794</b>

Crime Statistics: source Quantec 2016

Crime	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
20 SERIOUS CRIMES	6,414	6,111	5,526	5,755	5,642	5,054	4,763	4,877	5,179	5,205

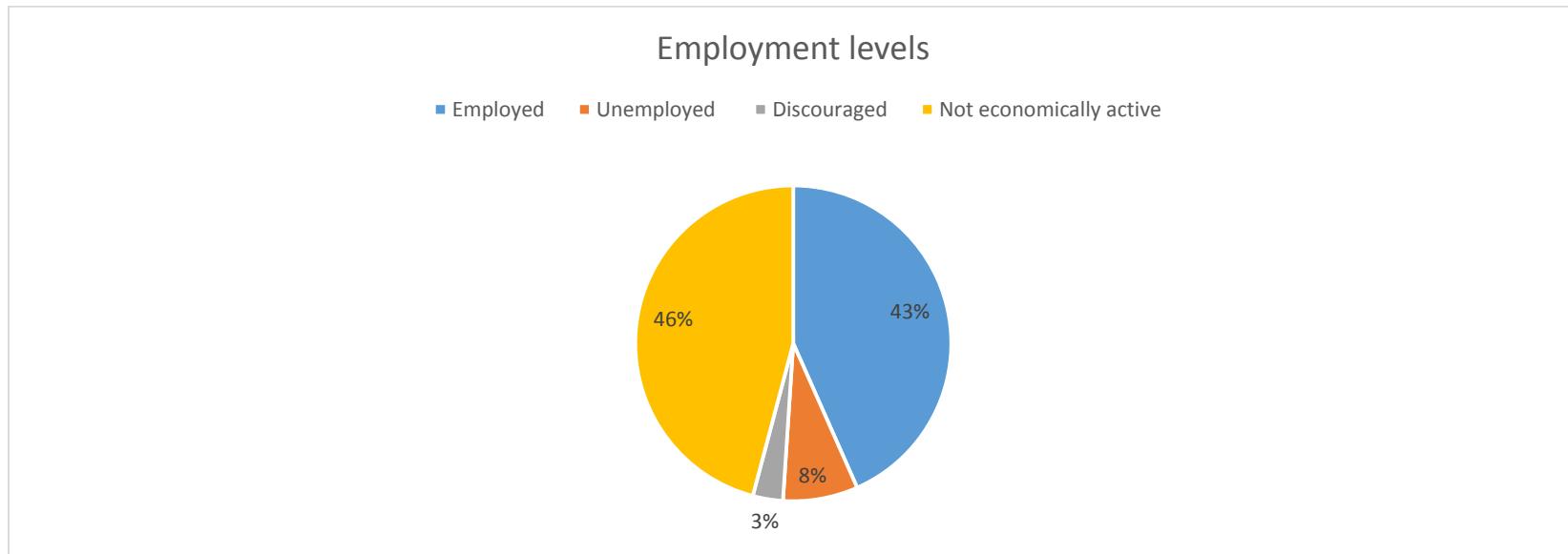
17 COMMUNITY REPORTED CRIMES	6,000	5,695	4,981	4,993	4,897	4,543	4,146	4,224	4,394	4,372
1. CONTACT (CRIME AGAINST THE PERSON)	2,455	2,298	1,948	1,936	1,806	1,571	1,505	1,515	1,514	1,537
1.1 Murder	35	31	42	37	45	36	36	40	47	44
1.2 Sexual offences	217	214	189	238	215	193	171	180	181	199
1.3 Attempted murder	61	61	76	65	53	40	60	58	49	56
1.4 Assault with the intent to inflict grievous bodily harm	1,019	1,017	810	788	738	660	587	612	577	602
1.5 Common assault	826	715	561	539	489	402	358	370	391	357
1.6 Common robbery	159	103	123	136	108	89	110	82	88	94
1.7 Robbery with aggravating circumstances	138	157	147	133	159	151	182	173	180	185
1.7.1 Bank robbery	-	-	-	-	-	-	-	-	0	-
1.7.2 Trio	14	38	36	40	69	58	82	64	70	73
1.7.2.1 Robbery at residential premises	2	5	6	13	23	13	20	20	18	22
1.7.2.2 Robbery at non-residential premises	4	23	19	18	39	39	58	40	41	42
1.7.2.3 Carjacking	9	10	10	8	7	7	4	4	11	9
1.7.3 Truck hijacking	1	1	1	1	4	1	2	0	2	3
1.7.4 Robbery of cash in transit	-	1	0	0	1	2	-	0	-	-
1.7.5 Robbery unspecified	123	117	111	92	85	90	99	108	108	109
2. CONTACT-RELATED CRIME	377	363	330	281	272	239	231	251	301	278
2.1 Arson	10	14	12	11	22	14	18	8	17	17
2.2 Malicious damage to property	366	349	317	270	250	225	213	244	285	261
3. PROPERTY-RELATED CRIME	1,598	1,523	1,376	1,456	1,508	1,389	1,279	1,331	1,347	1,358
3.1 Burglary at non-residential premises	190	140	151	221	283	256	217	257	268	306
3.2 Burglary at residential premises	882	802	685	775	663	650	631	631	614	611
3.3 Theft of motor vehicle and motorcycle	126	186	121	111	109	91	89	95	80	100
3.4 Theft out of or from motor vehicle	270	271	273	206	293	269	221	226	231	232
3.5 Stock-theft	130	125	147	142	159	123	122	123	154	108
4 CRIMES DEPENDENT ON POLICE ACTION FOR DETECTION	414	417	545	762	746	511	617	653	785	833
4.1 Illegal possession of firearms and ammunition	19	13	13	18	19	14	13	12	16	7
4.2 Drug-related crime	222	189	218	308	275	263	321	361	445	430

4.3 Driving under the influence of alcohol or drugs	173	215	314	437	453	233	281	280	307	315
4.4 Sexual offences as result of police action	-	-	-	-	-	-	3	2	17	81
5. OTHER SERIOUS CRIME	1,570	1,511	1,326	1,320	1,310	1,343	1,131	1,127	1,232	1,200
5.1 All theft not mentioned elsewhere	1,257	1,149	1,032	966	900	879	763	819	892	861
5.2 Commercial crime	106	122	99	109	158	244	216	143	142	122
5.3 Shoplifting	207	240	195	245	253	219	152	165	198	216

#### % levels of employment/unemployment

		Employe d			Unemploye d			Discourage d work- seeker			Other not economical ly active	
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
EC106: Sundays River Valley	10013	6072	16085	1243	1602	2845	455	689	1145	7511	9503	17014
Kirkwood	732	601	1333	110	101	211	26	25	50	885	1089	1974
Sundays River Valley NU	4391	1974	6364	138	343	481	90	238	328	2139	2307	4446
Enon	112	81	193	24	21	45	54	44	98	161	255	416
Bontrug	1072	850	1921	287	366	653	94	102	196	1260	1647	2906

Barsheba	173	115	288	20	36	55	12	8	20	123	172	295
Paterson	53	26	79	8	12	20	5	2	7	24	35	59
KwaZenzele	740	452	1193	351	392	743	92	112	204	544	786	1330
Nomathamasanqa	1697	1268	2966	213	224	437	68	122	190	1559	1984	3543
Addo	1043	705	1748	93	107	201	15	36	51	816	1228	2044



#### Sectors analyzed in terms of GVA and Employment

##### Employment by Sector

Industry	2005	2015
Total	15,450	15,880

Primary sector	9,440	6,793
Agriculture, forestry and fishing	9,437	6,790
Agriculture, forestry and fishing	9,437	6,790
Agriculture	9,296	6,689
Forestry	127	91
Fishing	14	10
Mining and quarrying	3	3
Mining and quarrying	3	3
Other mining and quarrying	3	3
Secondary sector	1,493	1,673
Manufacturing	718	949
Food, beverages and tobacco	431	768
Food	426	751
Beverages and tobacco	5	17
Textiles, clothing and leather goods	4	7
Wearing apparel	4	7
Wood and paper; publishing and printing	3	7
Wood and wood products	3	7
Petroleum products, chemicals, rubber and plastic	23	32
Basic chemicals	10	20
Other chemical products	10	10
Rubber products	3	2
Other non-metal mineral products	68	14
Non-metallic mineral products	68	14
Metals, metal products, machinery and equipment	40	44
Basic iron and steel products; casting of metal	2	2
Other fabricated metal products	21	21
Machinery and equipment	17	21
Transport equipment	71	37

Motor vehicles, parts and accessories	71	37
Furniture; other manufacturing	78	40
Furniture	4	8
Other manufacturing groups	74	32
Electricity, gas and water	49	59
Electricity, gas and water	49	59
Electricity and gas	22	36
Water	27	23
Construction	726	665
Construction	726	665
Construction	726	665
Tertiary sector	4,517	7,414
Wholesale and retail trade, catering and accommodation	1,527	2,622
Wholesale and retail trade	1,218	2,198
Wholesale and retail trade	1,218	2,198
Catering and accommodation services	309	424
Catering and accommodation services	309	424
Transport, storage and communication	313	535
Transport and storage	244	506
Transport and storage	244	506
Communication	69	29
Communication	69	29
Finance, insurance, real estate and business services	248	842
Finance and insurance	63	70
Finance and insurance	63	70
Business services	185	772
Professional business services	48	187
Business activities n.e.c.	137	585
General government	825	1,344

General government	825	1,344
National and Provincial government	753	1,147
Local government	72	197
Community, social and personal services	1,604	2,071
Community, social and personal services	1,604	2,071
Education (Private)	9	27
Health and social work (Private)	79	210
Other community, social and personal services	1,516	1,834

#### **Sector Contribution to GVA**

	2010	2011	2012	2013	2014	2015
<b>Total</b>	<b>1,367</b>	<b>1,440</b>	<b>1,502</b>	<b>1,559</b>	<b>1,619</b>	<b>1,653</b>
Primary sector	200	224	233	245	256	241
Agriculture, forestry and fishing	199	224	232	244	255	240
Agriculture, forestry and fishing	199	224	232	244	255	240
Agriculture	194	218	227	238	250	234
Forestry	5	5	5	5	5	5
Secondary sector	346	355	377	392	412	433
Manufacturing	266	274	294	309	325	340
Food, beverages and tobacco	219	226	247	262	278	292
Food	217	224	244	259	275	289
Beverages and tobacco	3	3	3	3	3	4
Petroleum products, chemicals, rubber and plastic	11	11	11	11	12	12

Basic chemicals	8	8	7	8	9	9
Other chemical products	3	3	3	3	3	3
Other non-metal mineral products	2	3	2	2	2	2
Non-metallic mineral products	2	3	2	2	2	2
Metals, metal products, machinery and equipment	5	6	6	6	6	7
Other fabricated metal products	2	2	2	2	1	1
Machinery and equipment	3	3	3	3	3	4
Transport equipment	11	12	12	12	12	12
Motor vehicles, parts and accessories	11	12	12	12	12	12
Furniture; other manufacturing	15	15	15	14	13	12
Other manufacturing groups	15	15	14	14	13	12
Electricity, gas and water	38	38	38	37	37	36
Electricity, gas and water	38	38	38	37	37	36
Electricity and gas	22	23	23	22	21	21
Water	15	15	16	15	15	15
Construction	43	43	44	46	51	57
Construction	43	43	44	46	51	57
Construction	43	43	44	46	51	57
Tertiary sector	820	861	892	922	950	979
Wholesale and retail trade, catering and accommodation	276	287	299	305	310	317
Wholesale and retail trade						

	247	258	269	274	278	285
Wholesale and retail trade	247	258	269	274	278	285
Catering and accommodation services	30	29	30	31	31	32
Catering and accommodation services	30	29	30	31	31	32
Transport, storage and communication	81	85	89	91	95	97
Transport and storage	70	74	78	80	84	86
Transport and storage	70	74	78	80	84	86
Communication	11	11	11	11	11	11
Communication	11	11	11	11	11	11
Finance, insurance, real estate and business services	134	145	154	169	182	197
Finance and insurance	32	33	34	33	32	33
Finance and insurance	32	33	34	33	32	33
Business services	102	113	120	136	150	165
Professional business services	73	82	89	104	106	120
Business activities n.e.c.	29	30	31	32	44	45
General government	228	238	243	247	253	257
General government	228	238	243	247	253	257
National and Provincial government	205	215	219	222	226	230
Local government	23	24	24	25	26	27
Community, social and personal services	101	105	107	110	111	111
Community, social and personal services	101	105	107	110	111	111

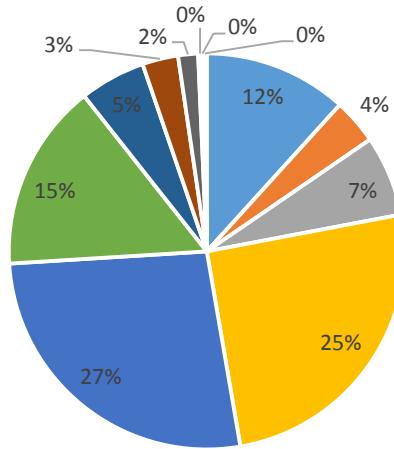
Education (Private)	9	9	9	10	8	9
Health and social work (Private)	31	33	34	34	40	41
Other community, social and personal services	61	64	64	66	63	61

#### Income distribution in the economy

Annual Individual Income	No income	R 1 - R 4800	R 4801 - R 9600	R 9601 - R 19 600	R 19 601 - R 38 200	R 38 201 - R 76 400	R 76 401 - R 153 800	R 153 801 - R 307 600	R 307 601 - R 614 400	R 614 001 - R 1 228 800	R 1 228 801 - R 2 457 600	R 2 457 601 or more
EC106: Sundays River Valley	1730	547	970	3727	3944	2264	793	432	240	47	16	40
Kirkwood	125	43	82	206	274	244	151	108	63	10	2	11
Sundays River Valley NU	201	53	146	875	969	603	244	203	123	33	7	26
Enon	37	16	33	64	73	56	15	9	2	-	1	-
Bontrug	434	130	186	720	697	317	113	31	16	-	-	-
Barsheba	37	21	37	114	104	48	8	4	-	-	1	-
Paterson	14	-	1	10	10	13	17	10	3	-	-	-
KwaZenzele	267	110	135	427	400	222	66	25	10	2	-	1
Nomathamasanqa	440	120	257	860	876	455	106	24	11	-	3	1
Addo	175	55	92	451	540	308	75	18	12	1	1	-

Chart Title

■ No income	■ R 1 - R 4 800	■ R 4 801 - R 9 600	■ R 9 601 - R 19 600
■ R 19 601 - R 38 200	■ R 38 201 - R 76 400	■ R 76 401 - R 153 800	■ R 153 801 - R 307 600
■ R 307 601 - R 614 400	■ R 614 001 - R 1 228 800	■ R 1 228 801 - R 2 457 600	■ R 2 457 601 or more



## Economic infrastructure

The SRVM has two primary economic sectors namely Agricultural Economic Sector and Tourism Economic Sector.

### Agricultural Sector

The primary agricultural sector is the leading and major economic sector. It remains the biggest and main contributor towards the overall SRVM economy. The SRVM has a good infrastructural base to support the development and growth of the agricultural sector. This consists of a well-developed irrigation system, road links as well as access to an airport and export base located within close proximity in Port Elizabeth. The majority of prime agriculture land in the SRVM area is largely privately-owned by white commercial entities operating citrus production as well as game farming activities in the area. There is a need for community gardens but land and water access remain major issues. A convincing number of women in the SRVM area have opted to operate small food gardens in their own backyards for subsistence purposes. This unfortunately limits the ability of these communities to engage in massive food security production primarily to meet the bigger subsistence needs in the SRVM, but also to kick-start and sustain commercialized production activities aimed at improving local income generation capacity by the previously disadvantaged communities.

The municipality needs commonages that are fenced to be able to rent out to subsistence stock farmers. There is no pound in the municipal area and the situation poses a risk for road accidents. There are dipping tanks in all three nodal areas, however they all need to be upgraded. There is a need for livestock handling facilities in all the dipping tanks. Certain pieces of land that belong to the municipality and the community (kk 113 and Enon-Bersheba Citrus farm) have got an irrigation system that is currently vandalised. Enon-Bersheba communal land has fenced grazing camps and natural dams which must be provided with water. The majority of people that are involved in agriculture are commercial and their infrastructure is in good condition. There is only one tractor that was donated by the Department of Rural Development and Agrarian Reform for the emerging farmers of Sundays River. The tractor cannot service the vast area of Sundays River as a result it is overused and constantly breaks down. Council has donated two other tractors for kk113 and Enon –Bersheba, but tractors are too small for effective utilisation

#### Tourism Sector

The Sundays River Valley is one of the three valleys in the Eastern Cape Province with a strong tourism potential, the others being the Gamtoos River Valley and the Langkloof. Tourism in the Sundays River Valley Municipality is viewed as the second largest industry to citrus production. The Sundays River Valley area offers a range of tourism products and experiences. These are largely eco-tourism products offering a variety of nature and conservation-based experiences to a large influx of foreign tourists. A number of projects aimed at increasing community participation within the local tourism industry have been identified. The majority of these projects are still in the planning phase resulting in what can be viewed as minimal participation by the SRVM community in local tourism at present. Communities in the SRVM, in particular those residing within the Addo area view the Addo National Park as a major catalyst that, with proper guidance and partnerships with locals, could assist them to participate effectively in tourism.

## Infrastructure Profile

Municipalities must ensure that people in their areas have at least basic services required to live a dignified life. These services include, but are not limited to:

- a) Access to water supply
- b) Sewage collection and disposal
- c) Access to electricity supply
- d) Access to sanitation
- e) Road Networks and storm-water

These services have a direct and immediate effect on the quality of the lives of the people in a community and the development of the municipality in particular. For example, if the water that is provided is of a poor quality or refuse is not collected regularly, it will contribute to the creation of unhealthy and unsafe living environments, drive away existing business and repel instead of attracting new business to SRVM. Poor services can also make it difficult to attract business or industry to an area and therefore limits job opportunities for residents

### Water

Raw water is extracted from boreholes on the outskirts of town. Raw water is pumped from the boreholes to two storage reservoirs. The water is chlorinated before being distributed to consumers. Sundays River Valley Municipality is the Water Service Authority (WSA) and is responsible for ensuring compliance with the Water Services Act 108 (1997), and that efficient, affordable, economical and sustainable water services are accessible to all its residents. The capacity of the Water Treatment Works at Kirkwood is 5.5 MI/day. The current water demand in Kirkwood is 3.15MI/day. However, even though the Water Treatment Works is operating at full capacity the municipality fails to meet the demand of water. This indicates that there are high levels of non-revenue water losses in the reticulation system.

### Sanitation

The Sundays River Valley Municipality has shown drastic improvements to the Green Drop Score from 5.9% to 48%. The Sunday Rivers Valley Green Drop Improvement Plan (GDIP) provides a system-specific work-plan to improve the 2012 Green Drop score of each of the 4 wastewater systems. The GDIP approach is to establish a baseline score for each Green Drop sub-requirement and then to identify a specific task to be undertaken by a specific individual within a set target date.

The 'before' (2011) and 'after' (2013) Green Drop scores are provided as realistically possible, given that all the tasks had to be undertaken between June 2012 and February 2013. To date the Municipality has used the recent score of 48% as the new Baseline.

The GDIP forms the basis for a team effort by specific individuals and entities involved in the improvement process to perform specific tasks within specific target dates

### Electricity

The Municipality's areas of jurisdiction are the following areas Kirkwood, Bergsig, Moses Mabida and Aqua Park for electrical infrastructures. The outlining areas are serviced by ESKOM. The municipalities have engaged the services of Bigen Africa so develop a master plan, that focuses on restructuring the electrical infrastructure in such a way that it will provide safety to operational staff, the

general public as well as electrical infrastructures that would be capable to stimulate growth for the area. This exercise was completed in 2012.

The Master plan provides project costing for budget purposes based on cost estimates compiled for the different proposed infrastructure upgrading and/or strengthening projects that form part of the Electrical Master Plan.

#### Waste Management

The waste management objective is to provide quality, sustainable services to ensure a clean and healthy environment.

The Waste Management Sub-directorate provides an appropriate general waste collection service to households and businesses; cleansing services (street sweeping, litter picking, removal of illegal dumping on municipal public open spaces), as well as operating three general waste landfill sites.

The Upper Valley (Kirkwood Town, Moses Mabida, Bergsig, Msengeni and Aqua Park) is serviced in-house by SRVM cleansing staff.

The Lower Valley (Addo Town, Nomathamsanqa, Valencia, Green Fields and Noluthando, Paterson Town, Kwazenzela, Morrison and Enon/Bersheba) is out-sourced to co-operatives or contractors.

#### Communication

The number of households that have access to phones, either through cell phones or nearby public phones, grew from 2221 households in 2007 to 2494 in 2009. This was accompanied by a decline of about 311 households in 2009 which did not have access to phones, when compared to the base year of 2007 with 351 households.

Years	2007	2008	2009	2010
Total	8858	9316	9317	9318
In the dwelling/or cell phone	2221	2463	2494	2525
At a public phone nearby	4436	4710	4756	4802
At a neighbour nearby	1205	1351	1366	1381
At another location not nearby	231	190	171	152

(Source: ECSECC 2010/2011)

## Transport Networks

Transportation is an essential ingredient of almost everything man does to supply himself with the necessities of life. Road transport is particularly important for developing countries, where it provides about 80 to 90 percent of the total inland and/or border crossing transport of people and goods. An effective road network can hasten progress in agricultural and rural development, industry and trade, the viability of urban areas, and the expansion of jobs, education and personal opportunity. The World Bank's Long-Term Perspective Study emphasizes that although better market incentives (especially related to prices and inputs) to farmers remain important factors in agriculture, the effects of these would be blunted if the physical barriers and economic costs of transporting goods to and from markets remain high.

SRVM boast of:

- ✓ 2 National Roads **N2** and **N10** which are in good condition and currently maintained by SANRAL.
- ✓ 4 Tarred Provincial Roads –R72, R75, R335, R336 which are fairly good condition save of the R335 and R336 which are in need of some patching ups.
- ✓ A number of gravel provincial roads that are in need of urgent attention as most of them are full of potholes.
- ✓ Municipal Streets – all internal municipal streets are in urgent need of repairs and some needs paving in order to looks attractive to business.

SRVM also boasts of a rail line that was once used to transport citrus produce to markets but is in serious need for refurbishment as some parts of the rail are no longer serviced and hence inaccessible. There is an urgent need for the refurbishment of these railway lines in order to cut costs and reduce pressure on roads [the bulky nature of citrus produce is mainly suited for rail transport more than road].

### LED priorities aligned with the national, provincial and district objectives

Local economic development and the drafting of the Sundays River Valley municipal LED strategy and priorities is guided by the principles and objectives of the National Development Plan, the New Growth Path, the National Spatial Development Perspective (NSDP), etc.

The LED Plan had ensured synergy and alignment with the objectives of national and provincial government programmes. In addition to the Constitution, a number of government policies and statutes are relevant to LED at the local government level, which includes the following:

- **White Paper on Local Government (1998)**
- **National Framework for Local Economic Development in South Africa**
- **National Spatial Development Perspective**
- **National Development Plan**
- **Accelerated & Shared Growth Initiative for South Africa (ASGISA)**
- **Joint Initiative on Priority Skills Acquisition (JIPSA)**
- **Provincial Growth and Development Plan: 2004 – 2014**
- **Spatial Development Plan: Eastern Cape Province**

- **Broad-Based Black Economic Empowerment Act (BBBEE), Act 53 of 2003**

### **White Paper on Local Government**

The White Paper on Local Government (1998) reinforces the concept of developmental local government which is defined as: "Local government committed to working with citizen and groups within the community to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives"

It further states that the powers and functions of local government should be exercised in such a way that it has maximum impact on the development of communities, to meet the basic needs of the poor and to grow the local economy.

Due to its influence on local economies, local government needs a clear vision for the local economy and needs to work in partnership with local business to maximise job creation and investment by taking responsible steps to ensure the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.

**Relevance:** The White Paper guides LED at a local government level, as it advocates support services and leadership in the field of economic development, and provides a mandate for LED to create an enabling environment for sustainable economic growth.

### **National Framework for Local Economic Development in South Africa**

The National Framework for LED in South Africa seeks to mobilize local people and resources, within the framework of the PGDP and NSDP, to become competitive in the economic marketplace, both domestically and internationally. The anticipated outcomes of the framework over the next five years were:

- **Build Public and market confidence in municipalities** - good governance, effective intergovernmental coordination, infrastructure investment capability
- **Identify and exploit the comparative and competitive advantage of each region** – a better understanding of the opportunities and constraints in local economies should inform a more balanced development path
- **Intensification of enterprise support** – SMME has greater capacity to absorb labour and is key in improving equity in ownership of the economy
- **Sustainable Community Development**- interventions in areas where there are no markets to bring about sustained growth

**Relevance:** The National Framework for LED in South Africa sets out the roles and responsibilities of government in terms of conducting LED. At a provincial level, the primary responsibility of government is to ensure adequate leadership at a local level, while local government is responsible for direct policy making (i.e. development of by-laws, ensuring the proper rezoning of land, administering policy programmes and projects, initiating economic development programmes) Thus that the LED strategy/ plan would be the mind – map for economic intervention in the municipal space.

### **National Spatial Development Perspective**

The National Spatial Development Perspective guides all infrastructure investment and development spending.

Key to this is ensuring that:

- Economic growth is a prerequisite;
- Spending on fixed investment beyond constitutional obligation of basic services should focus on areas with economic potential;
- Areas with low development potential – beyond basic services, focus on social transfers,

1. HRD and labour market intelligence to give people more sustainable opportunities;
- Channel future settlement and economic development opportunities into activity corridors adjacent to main growth centres.

**Relevance:** The primary emphasis of the NSDP is to reconfigure spatial relations and implement spatial priorities that meet the Constitutional directives of providing basic services and alleviating poverty and inequality. The NSDP thus identifies areas where there is either economic development potential or high levels of poverty. Therefore the municipal SDF would be utilized and inform LED programmes / projects to be implemented in the municipal space.

### **Accelerated & Shared Growth Initiative for South Africa (ASGISA)**

The Accelerated and Shared Growth Initiative for South Africa (ASGISA) is a strategy that aims to achieve a higher and sustained rate of economic growth, through greater socio-economic inclusion in the development of the South African economy.

The objectives set out by ASGISA include:

- Halve poverty from one-third of households in 2004 to one-sixth of households by 2014.
- Halve unemployment by about 30% in 2004 to less than 15% by 2014.
- Average annual economic growth rate of 4.5% per annum to 2009 and 6% growth per annum from 2010 onwards.

**Relevance:** Since ASGISA is the guiding economic policy document for South Africa, it is necessary for the Sunday River Valley municipality LED strategy / plan to align itself with the national priorities set out in ASGISA. In this respect the Sunday River Valley LED strategy should focus on the tourism, agro-processing and agriculture sectors. Furthermore, the LED strategy should focus its development plans on the target groups identified in ASGISA particularly women, youth and the disabled.

### **Joint Initiative on Priority Skills Acquisition (JIPSA)**

The immediate focus of JIPSA is on skills identified by ASGISA. These include skills needed for infrastructure development in government, private sector, state-owned enterprises and social services delivery, with a view to skills development benefiting SMMEs within the sectors identified. Beyond the urgent scarce skills, JIPSA will consider long-term fundamentals for the supply of skills needed for sustained, shared economic growth. Established educational institutions such as universities, FETs and schools, will form the training backbone of JIPSA.

#### **Relevance:**

The SRVLM LED strategy / plan should, as per the objectives of JIPSA priorities the development and expansion of scarce skills in the municipality therefore skills prioritization in Sundays River valley municipality should also focus on those scarce skills identified in JIPSA when developing capacity development programmes.

### **Spatial Development Plan: Eastern Cape Province**

The Spatial Development Plan (SDP) is intended as a co-ordinating document that sets out a broad framework for the investment of public funding and management of development in the Eastern Province, towards achievement of a common vision and set of objectives.

The objectives of the SDP are:

- To provide a co-ordinating Provincial spatial framework to dovetail public sector investment towards a common vision and set of objectives
- To provide a policy framework to give direction to all other development agencies in the Province regarding the priorities of government
- To make public investment programmes more efficient
- To provide opportunities for creating an environment within which communities and the private sector can operate more effectively to achieve sustainable economic growth in the Province
- To protect natural systems
- To make efficient use of resources at a Provincial level
- To avoid duplication by different departments and spheres of government

### **Relevance**

The approach to investment and management as outlined in the Provincial Spatial Development Plan provides a framework for the development of both LED strategies and Spatial Development Frameworks at a local government level.

### **Broad-Based Black Economic Empowerment Act (BBBEE), Act 53 of 2003**

The objective of BBBEE Act is to substantially increase the number of black people who have ownership and control of new and existing enterprises, and the number of black people in executive and senior management positions. In this Act 'black people' refers to Africans, Coloureds and Indians. 'Broad-based black economic empowerment' means the economic empowerment of all black people including women, youth, people with disabilities and people living in rural areas; through diverse but integrated socio-economic strategies that include but are not limited to:

- Increasing the number of black people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;
- Human resource and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people;

### **Relevance:**

These BBBEE policy objectives will serve as a guide in the development of an LED strategy that promotes the participation of black people in the economic mainstream, as the successful implementation of BBBEE will be evaluated against the economic transformation and empowerment of rural and local communities.

### **Growth and Development Summit Agreement, 2007**

The GDS Agreement was completed and signed in April 2007 and identified sector development as one of the strategic pillars of the strategy. Sector development seeks:

- a) To grow the numbers and improve the competitiveness and productivity of small, medium and micro enterprises
- b) To increase the numbers and productive capacity of SMMEs and large enterprises in the specific sectors of the economy
- c) To improve the quantity and quality of jobs created by SMMEs and large enterprises
- d) To increase the contribution of the targeted sectors in terms of employment and GGP contribution

**Relevance:** To endure that the objectives of the GDS are expressed in the SRLM LED Plan.

### **National Development Plan (Vision 2030)**

The National Development Plan (2011, p.1) presents a long-term Vision Statement of charting a new growth path for South Africa, stating that by 2030, the country should have eliminated poverty and reduced inequality by

- o Creating jobs and improving livelihoods,
- o Reduce poverty, and inequality,
- o Expand economic infrastructure,
- o Transit to a low carbon economy,
- o Create an inclusive and integrated rural economy,
- o Improved quality of education,
- o Provide training and encourage innovation,
- o Provide quality health care,
- o Build a capable state,
- o Fight corruption,
- o Enhance accountability,
- o Transforming society,
- o Uniting the nation, and
- o Provide adequate social protection

### **Industrial Action Plan**

The Industrial Action Plan advocates for the following:

To contribute to rural development,

Promote agro-processing,  
Development of cultural industries,  
Promote tourism,  
Advance technology development,  
Promotion and development of the green economy,  
Adopt energy efficient goods and services,  
Encourage mineral beneficiation,  
Strengthen linkages,  
Integration of sector strategies

The analysis of the economic profile and trends in Sundays River Valley Local Municipality (SRVLM) forms the basis of identifying comparative and competitive advantages and economic potential opportunities that may be exploited by the municipality for the benefit of local residents. Sundays River Valley is the leading region in citrus production in South Africa. SRVM has access to a constant supply of irrigation water through the canal and that makes production more favourable to areas that depend on rain water. The rationale for successful economic revitalization of SRVM lies in some of the following salient comparative and competitive features:

- Proximity of SRVM to the Nelson Mandela Bay Metro presents a readily available market for this rural community.
- Proximity of local business to the Coega harbour for cheaper export costs
- Land availability for new development that is already identified for future development initiatives
- Established local commercial farming and tourism infrastructure
- Possibility of relocation of District municipality and other Provincial Government Departments' offices to Kirkwood
- Established road and rail infrastructure
- Natural resources as portrayed by the local landscape and warm climate that sustains the key agriculture and tourism sectors
- SRVM is identified and funded by the Premier for town revitalization project.

The economy of the SRVM bears the typical characteristics of the rural area; with agriculture having a dominating role in the economy of the area. Although tourism is not formally regarded as a sector, its contribution to the area's economy is significant enough to take cognisance of.

The LED strategy reflects the economic development concepts listed below as a result of broad consultative process. These form part of the catalytic projects identified in the implementation plan and the IDP must be read in conjunction with that plan.

FOCUS PROJECTS	COMMENT and STATUS OF PROJECT
Enon-Besheba land Asset (10 200ha)	<p>A draft business plan for six-pronged project has been completed and presented to various stakeholders (Municipal Council, Ministers Hanekom and Nkwinti, the Wittrivier Communal Property Association and the Enon-Bersheba community). The six facets of this development programme are:</p> <ul style="list-style-type: none"> <li>• 220 hectares of Citrus development that will be in three phases</li> <li>• 120 hectares of crop and grass farming</li> <li>• 14 hectares of food security programme</li> <li>• 1000 hectares for livestock farming</li> <li>• Addo Elephant Park conservation and lodge development or Game Ranch with combination of Game and Nguni cattle</li> <li>• A community College</li> </ul> <p>SRVM is embarking on funding mobilization for this lucrative programme. CWP is also targeted to provide support on some of these projects, especially the food security one.</p>
Portion 307 of site kk113	The development model is designed to develop citrus and crop for the benefit of the agri-park. The potential beneficiaries are ward 3, 5 & 6 and a community trust will be established
Addo Gateway	Tourism business development opportunities are earmarked through the Cacadu Development Agency and a budget of about R150million rand will be spent on this development
ERF 943	<p>Erf 943 is situated at the junction of the main road from Addo, turning towards Kirkwood; this site is "home" to the newly unveiled "heritage" mark for the Municipality.</p> <p>A combination of middle-income housing development and commercial site development will attract the necessary investment and enhance tourism in the area.</p> <p>To enhance the "heritage" aspect of the site, it is envisioned that the development concept may include a Museum, to capture the diverse historical narratives of the area, and a Tourism Information office. Included in the development will be commercial shops of varied offerings.</p> <p>The development model for this piece of land is envisioned to be a "partnership" between a private developer and the Municipality.</p>
Bio-energy solutions	The Development Agency intends to roll out this project at SRVM for approximately R100 million. The bio-energy sector is growing at a rapid pace throughout the globe, South African enterprises are providing more and more practical solutions to alternate energy; these applications must be evaluated for possible implementation in the region. Municipal waste and bio-mass are natural feed-stocks for such application.

	<p>Smaller applications for industrial and commercial application must be considered for spatial heating and thermal power.</p>
Bee-keeping	<p>Research has revealed the rising demand for natural honey, the Sunday River Valley area with its rich Citrus environment, is an ideal place to invest in larger scale bee-keeping projects.</p> <p>This relatively low capital scale project, with established market opportunities, is ideal for "emergent" farmers to exploit.</p> <p>The placement of beehives could take place throughout the region, to take advantage of the various natural honey feedstocks.</p>
Aqua-Culture and marine development	<p>It is of great advantage that the Sundays River Valley municipal area stretches to the Indian Ocean, this allows the potential establishment of both fresh water and salt water aquaculture enterprises.</p> <p>The advantage to be exploited is the proximity of the area to the Coega harbour for exports, being the dominant market for most salt water aquaculture forms. Fresh water fish products could contribute to local food security.</p>
Rail Revitalization	<p>Rail infrastructure is already established, but significantly underutilized. Three focal areas of development are envisioned in carving the Developmental Strategy for the revitalization of the Rail Transport, and these are;</p> <ul style="list-style-type: none"> <li>• Moving goods to the markets</li> <li>• Transporting people</li> <li>• Tourism experience</li> </ul>
Infrastructure Development	<p>The underlying regional development needs are directly linked to improved and expanded infrastructure provision.</p> <p><b>Energy:</b> The current Eskom supply capacity is dramatically improved from 2,5MVA to 5MVA to provide sufficient power requirements for expanding commercial and residential demand.</p> <p><b>Water:</b> Existing water infrastructure requires maintenance and expansion into new development areas.</p> <p><b>Sewerage:</b> Under-capacity of sewerage processing facilities is limiting provision of basic services and will not allow for economic expansion.</p> <p><b>Road:</b> Road transport is an important sector of economic activity, especially in developing countries, where it plays an essential role in marketing agricultural products and providing access to health, education and agricultural inputs and extension services. Conversely, lack of accessibility or poor road</p>

	conditions are barriers to agriculture, industry and trade, and may hinder the entire development effort.
Nursery and Pruning operation	Demand for citrus trees is overwhelming as a result new operations have a waiting period of 3-5 years to get trees for planting. This is an investment identified for development at municipal owned lands.
Small towns revitalization	The municipality has developed a Small Town revitalization Strategy and an implementation plan for the three major towns in SRVM (ie. Paterson Addo and Kirkwood). The Department of Roads and Public works is in the process of developing a long term plan for the revitalization of Kirkwood town.
Orchard Development	The private sector intends to transform some of the orchards into retail business development precinct around the Kirkwood area.

#### **Stakeholder and community involvement in LED activities**

An environment for Public Participation is sectoral based where you find different fora for every sector identifiable in the valley. There is a business chamber, SMME forum, Cooperatives forum and collaboration with the district we serve in the district LED forum.

#### **PHASE 2 – STRATEGIES & PROJECTS**

##### **Does the municipality have mechanisms for business expansion and retention for existing businesses and attraction of further investment?**

One of the critical goals identified in the LED strategy is to develop business attraction, retention and expansion that considers SMME's and large businesses. These goal has set of strategic objectives, programmes and projects.

	Goal	Objective	Programme	Project	
	To develop business attraction, retention and expansion that	G7:01: Prevent economic leakage by undertaking 4 buy-local campaigns per annum	Tourism development enterprises at Enon - Bersheba  Attract and retain	Undertake import and Export assessment research. -Re-evaluate Addo Cold Storage Investment.	M.M, Chief Financial Officer (CFO), Director Corporate Services & LED MANAGER

	considers SMME's and large businesses	G7:02: <a href="#">Improving the Local Business Investment Climate</a> by 2015  G7:03: 10 SMMEs are supported through the mentorship and business support programmes annually.	invest enters and people to make business in the Town centre  <a href="#">Investment in sites and premises for Business</a>	Develop Investment Incentive strategy / policy (retention and attraction )  Develop EnonBersheba, Santa Clara and KK 113 Farms.  Enhance 4 marketing and branding programmes per annum.	
--	---------------------------------------	--	---	---	--

**Has the municipality set targets for enterprise development support e.g. SMME and Cooperatives?**

The Sector and Enterprise development practitioner is facilitating venture funding which remains a key issue, and is establishing linkages with government and establishing new venture funds for SMMEs. The municipal SMME development programme seeks to turn around the vicious cycle of poverty, unemployment and inequality.

The current programmes that are being facilitated in support and growth for SMMEs in the area are as follows:

Support programme	Description
SMME and Co-operative Promotion and Awareness programme	Support initiatives designed to increase the promotion of the SMMEs including Co-operatives
Education and Training	Promotion of education and training on SMMEs and Co-operatives
SMME and Co-operative Research and database	Research plays an important role in informing government policy and strategy on collective entrepreneurship and SMMEs promotion.

Business Support Services	Registering of new businesses via the website of CIPC. Registration of businesses under the Central Database System. Referrals and Advice.
Products for Targeted Procurement from Small Enterprises	30% of local procurement be secured from local SMMEs including co-operatives.
SMME Outreach and Training programmes	To bring close the services of small business development e.g. SEDA, ECDC, DTI
Business infrastructure support	Focus will be given to the provision of facilities for use by small businesses in specialised manufacturing and service industries, as well as strengthening of hubs for rural small businesses  Renovation of old buildings for use by small businesses will also be considered.

#### **Does the municipality have mechanisms to support the implementation of public employment programmes (CWP/EPWP?)**

SRVM has established an EPWP committee and it comprises of Sector and Enterprise development practitioner, Supply Chain Management Practitioner and PMU Manager. This is one mechanism to enhance the implementation of EPWP. The municipality is expected to receive in 2018/19 MIG allocation and R1 million which will be ring-fenced for EPWP. EPWP policy was adopted by council.

#### **Are there mechanisms to support small towns' revitalization initiatives?**

The Sundays River Valley Municipality (SRVM) had an obligation (commitment) to fulfil targeted outputs and achieving the outcome of improving the lives of the local communities, by developing initiatives that supports the rehabilitation of the town as local center of economic activities and nodes of centralised and focused delivery of service. The aim is to ensure that the competitiveness of these small towns i.e. Kirkwood, Addo and Paterson is enhanced in order to attract investments and to retain the current investors.

In 2014/2015 the Municipality compiled the SRVM Smalls Town Revitalisation Strategy, and the Provincial Committee and relevant stakeholders has approved its implementation, thus the Municipality is in a process of sourcing a professional and experienced service provider to assist with the implementation there of.

#### **Policies to promote economic development**

The municipality has the following policies and by-laws that promote economic development:

- Street trading by-law
- Food control by-law
- Animal control by-law
- Co-operative Development policy
- SMME Development policy
- Informal Trading policy
- Draft Commonage Management policy
- Tourism Sector Plan
- LED Strategy 2013
- Spatial Development Framework
- EPWP Policy
- Supply Chain Management Policy
- Small Town Revitalization Strategy 2014
- Water Safety Plan 2014

## **2.5. KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The Municipal buildings are situated in Kirkwood; these are the main offices in Middle Street. There are also satellite offices in the towns of Addo and Paterson. In Kirkwood, the main buildings are for the Finance department, the Council Chambers, Traffic Services and the Municipal Managers Office – all of which are in the same street. The Finance department is now located in Church street. The Council Chambers are now located in Middle street. Both buildings are in Kirkwood. The offices for the Technical Department were located in the township of Moses Mabhida and were also burnt as a result the Technical Services Department is now located in Middle Street Kirkwood in the old HR Building. There are challenges with regard to accessing basic municipal services for places afar like Zuney (near Alexandria) where those citizens have to travel to Kirkwood for the most basic of services. Council will entertain the option of decentralizing and putting in place a Satellite Office in that area.

Sundays River Valley Municipality has developed the IDP/Budget process plan and it was adopted by Council on the 31 August 2017. The process plan was not followed 100% because of postponement of certain activities, however all the identified activities were done. Communities were invited to participate in the IDP processes through outreach programmes facilitated by the public participation officer and the speaker. We did not advertise for stakeholders to participate in the IDP processes, however during the establishment of war rooms in all wards we developed a register of stakeholders and they were workshopped on their roles and responsibilities. One of their roles is to participate in IDP processes which included the identification of ward priorities and developing action plans for the implementation of those ward plans.

The Municipality is in the process of improving its communication and access to information by all sectors of the community. There are healthy relations between the political and administrative components of the municipality. There are also cordial relations between the ward committees and the general public. The council is stable and effective. All section 56 managers were appointed and section 79 committees are functional.

### **2.5.1 Ward Committees**

The Municipality has eight (8) Ward Committees that were established as per the number of demarcated Municipal wards. The Municipality has adopted guidelines for the establishment of the ward committees that complies with the terms of reference for the establishment of the ward. The ward committee meetings are scheduled such that the ward inputs are able to find express in standing committees and council meetings agendas. To compensate for out of pocket expenses members receive a stipend of R1000 per scheduled meeting. The Municipality is committed to ensure that it has a fully functional ward committee system. SRVM area does not have traditional leaders except the representation of traditional healers in some ward committees.

The ward committees are convening as per schedule, and all resolutions and decisions at the ward level get expression in Council via the Office of the speaker. Ward committees are central in the review and development of the IDP objectives in Sundays River. Ward committees also play a role in the development of KPIs and targets which inform the SDBIP where IDP objectives are tracked. The ward committee system as has been developed allows these committees an opportunity to make the IDP process their own and to influence the IDP objectives as they are generated. The system is not without its obstacles, one of the challenges is the sector interests that is not fully represented in the composition and make up of each committee – and therefore makes it difficult for members to report back to their constituencies. A plan has been developed to reconstitute by filling up the vacant positions with relevant sector representation. The draft annual report 2016/17 and the amended SDBIP was included in the ward committee meetings agenda for March 2018 meeting schedule.

Ward based planning is utilized in the Municipality – this process of interactive engagement with local stakeholders allows the Municipality the opportunity to engage while also making the IDP process realistic. The ward plans for all the wards are in place and will be reviewed in the coming financial period. Ward based planning is also a mechanism of making the IDP belong to the community and this allows IDP objectives to be framed at a local level where this allows a bottom-up approach to strategic planning.

### **2.5.2 Public participation**

A five year public participation framework plan was adopted by Council in March 2014. The implementation of public participation strategy is the responsibility of the Municipal Manager assisted by the public participation official. The consultation process is done through Council Outreach Programmes, Mayoral Imbizo's, Ward Committees, IDP consultation and review process and IDP & Budget road shows. The Sundays River Valley Municipality ensure the stakeholders and communities are involved in a range of issues with particular emphasis on the following:

- ❖ Integrated Development Planning Process;
- ❖ Annual Budgeting process;
- ❖ Performance management system;
- ❖ Policies and By-laws development and implementation;
- ❖ Pressing issues of HIV and Aids, Unemployment and social cohesion;
- ❖ Project planning, implementation and monitoring;
- ❖ Strategic plans of the municipality
- ❖ Development in general

The office of the Speaker is currently responsible for public participation. There is a readily available stakeholders' register that specifies the contact details of stakeholder representatives.

### **Comments on Effectiveness of Public Engagements**

- Poor attendance by communities
- Poor planning from the administration especially when it comes to communication meetings and dissemination of information
- Unnecessary postponements of meetings because of non-submission of items
- Not all Ward committee issues finds expression in council
- Some members of the ward committee are not active in the community and the forums they are representing are not holding them accountable
- Some councillors are not holding report-back meetings in their constituencies after their ward committee meetings
- Failure of councillors to submit their schedule of report back meetings to the Speakers

### **SOCIAL COHESION**

To promote social cohesion within the communities the following activities are honored:

- Multi-coded sporting events
- Links forged with other departments like correctional services with the aim of integrating the prison community with local communities
- There are arts and culture festivals that include a wide range of artistic disciplines (story-telling, visual arts and craft, speech and drama, poetry, dance and music

- There are sport and recreational activities that are facilitated by the Municipality through the Office of the Sport and Recreational Officer

### **2.5.3 Community Development Workers**

A memorandum of understanding was signed between the municipality and the department of local government and traditional affairs in respect of CDWs responsibilities. The CDWs ought to report monthly to the municipality but this does not happen. The challenge is that the round tables are not sitting as planned due to poor attendance by CDWs.

It is to be noted that not all wards have CDWs dedicated and designated in their respective wards.

### **2.5.4 Communication Strategy**

The municipality has established a Communication Unit. A Communication Officer was employed and the position is located in the office of the Municipal Manager. The complaints from the public as well as concerns raised by the public through the President's hot line are dealt with by the customer care. There are guidelines that were adopted by council on how to deal with all these complaints. Customer care service is now handled by the Communications Officer together with the Technical Services department.

ITEM	SUPPORTING INFORMATION	BUDGET	PERIOD
Signage for Municipal Buildings	These Items will include Notice boards, Sign posts, signage in our Dams, Land fill site and in the canal. The importance of these Items is to make sure that our municipality is visible enough and safety message in all the dangerous areas in SRVM is communicated.		September 2018
Signage for Municipal Vehicles	The rational of marking signage to our motor vehicle is for the purpose of tracing them and protecting them from internal abuse and reckless use by employees and the public.		September 2018
Marketing of the Town Revitalization Concept	SRVM has been listed as amongst the towns in the Province that will be benefiting from Township Revitalization Concept as a Provincial Concept of the Office of the Premier for the financial year of 2017-2018. This massive infrastructural boast will need to be marketed so that SRVM can be able to unleash its outmost potential and be a tourism destination center in the District of Sarah Baartman		2017 - 2019
Mayoral Imbizo's for Masiphathisane Service Delivery Model x 2	As SRVM we are expected to report and communicate decisions of the council to our community and all the stakeholders of SRVM. It is then through Mayoral Imbizos that we will achieve this in a bigger magnitude. The targeted group will be Old people, youth in all sectors, Business, Farmers association and etc. Targeted area will be <b>ADDO and KIRKWOOD</b>		July and November 2018

Radio Space on Local Radio Station	The essence of buying space in Radio stations is to reach out the bigger audience of SRVM. The aim is also account to our populace in a bigger and interactive platform.		July 2018 – June 2019
Marketing Material	The importance of having marketing material is for branding purposes of our Municipality.		August 2018
IRG Meetings	Inter-governmental Meetings are legislated meetings which coordinates stakeholders for the purpose of mainstreaming service delivery and priorities services for our community.	10 000	July 2018- June 2019

### 2.5.5 Special Programmes Unit (SPU)

Special Programmes Unit (SPU) is established and is charged with the responsibility of coordination and facilitation of designated (vulnerable) groups for development and empowerment. The unit is located in the office of the Mayor politically and the Municipal Manager administratively. Special Programmes Officer (SPO) is heading the unit assisted by the HIV/AIDS coordinator on HIV//AIDS programmes and two focal persons (Youth Coordinators). The unit has developed vulnerable groups' mainstream policy and Youth Development Strategy.

As per the Sundays River Valley Municipality (SRVM), designated groups are:

- a) Women
- b) Youth
- c) Disable
- d) Elderly and
- e) Children

The above mentioned policy and the Youth Development Strategy focus on the integration of programmes and services targeting the identified groups. These policies seek to respond in a progressive manner to the issues and challenges faced by the identified groups within the local government mandate and policy framework.

The Unit has established a number of structures that respond to the needs of the vulnerable groups. These include but are not limited to; Women's, Youth, Disability, and Elderly Forums. The primary purpose of these structures has been to mainstream the agenda of vulnerable groups into the everyday workings of the municipality. Youth Forums are established in all wards however, what is still outstanding the establishment of the Sundays River Valley Youth Council. Women, Disability and Elderly Forums are established.

#### 2.5.5.1 HIV/AIDS

The HIV/AIDS section is located in the Cooperative Services Unit. It is responsible for the coordination and facilitation of HIV/AIDS awareness programmes for communities and external stakeholders. The coordinator is also responsible for wellness programmes focusing to all employees and staff of the municipality. The Sundays River Valley Municipality Local AIDS Council was established as a mechanism to coordinate all stakeholders such as; NGOs, CBOs, Support Groups, Sector Department, Labour and Private Sector into one common programme in the fight against the HIV/AIDS Pandemic. The SRVM Local AIDS Council works in line with the District, Provincial and National AIDS Councils.

### **2.5.5.2 Youth Focal Persons**

The two Youth Coordinators are focal persons within the Special Programmes Unit. They are responsible for coordination and facilitation of Youth and Children empowerment programmes. During the formulation of the SRVM Youth Development Strategy, coordinators had embarked on the youth outreach consultation process to solicit their inputs and views on how they see youth development. Their inputs and views were incorporated in the strategy and the implementation plan is informed by the young people submissions.

### **2.5.6 Intergovernmental Relations**

An IGR Structure was launched by the MEC for Local Government 5 years ago on the 13<sup>th</sup> of April 2013. The Terms of Reference for the IGR were approved by Council. The IGR is functional with the consistent adherence to the legislative guidelines of convening IGR at least once quarterly. In the IGR meetings held in the previous two financial years, the following issues that were raised by the communities and these issues are recurring.

<b>DEPARTMENT</b>	<b>PRIORITY ISSUE</b>
Human Settlements	Rectification programme in all areas.  New RDP houses in all areas.  Land for housing development.  Title deeds.  Temporary housing structures
Roads and Public Transport	Tarring entrance roads to townships.  Support with potholes within municipal roads.  Weigh bridge  Transport for learners
Water and Sanitation	Water tanks  Service infrastructure for planned middle income housing development in Addo.  Bucket System in Paterson and Zuney  3000ha water rights
Rural Development and Land Reform	Land Audit.  Land for stock farming.  Land disputes (Evictions, land sales to the detriment of long time occupiers.  Research on impact of land transfer/sale to emerging farmers.

Department of Health	Clinic for Enon-Bersheba community. Currently the mobile clinic visits the vast area once a week.  Clinic at Valencia situated on outskirts of community  Day care hospital at Nomathamsanqa needed and small clinics that cannot cope with the high population figures
SANRAL; TRANSNET	Renewal of railway line/service  Transfer of railway houses to the occupants or municipality  Transfer of houses to occupants in ward 7: Glenconor
Sara Baartman District Municipality	Provision of land for local economic development projects  Relocation to SRVM  Emergency centre in Paterson
Social Development	Proper monitoring of funded projects
SASSA	Coordination of food parcel programmes and proactive interventions.
Department of Education	FET College/ Community college  Transport for learners
SAPS	Improved patrolling and quicker response time to incidents, especially in Addo.  Improve working relations between police forums and the police
Department of Minerals	Illegal mining of sand in Paterson and Enon-Bersheba
CoGTA	Multipurpose facility at Paterson for a start
Department of labour	Department only visits once per week in Kirkwood and many people are not serviced.  Appalling farm dwellers working conditions.  Farm dwellers require ID registration

1. The strategy to make IGR responsibilities effective is to hold separate meetings with specific few sectors at a time and address all pertinent issues.
2. There is a functional IDP representative forum and Transport Forum. The special programmes officer and local stakeholders participated in the development of the district-wide youth,

women and disable policies and these will be cascaded to local municipality through internal processes. The municipality would appreciate any assistance in the form of funds or deployment of officials to conduct these workshops. We participate in the Addo National Park Forum. The municipality participates in the District Economic Development Forum and District support team. The Local Aids Council was established but is now functional since the appointment of an HIV-Aids coordinator. The Mayor, Municipal Manager and CFO do attend Mayor's Forum, MM's Forum and CFO's Forum respectively. MuniMEC engagements are also attended by the Mayor and the Municipal Manager. Technical services attend PMIIT quarterly meetings.

3. Some sector departments do attend IDP representative forum meetings but the attendees at local level are not given decision-making powers (not strategic managers) as a result their presence is often not effective.
4. Assistance is required in the development of IGR policy framework for a local municipality.
5. SRVM participates in the initiatives for inter-municipal planning around the Performance Management Systems. The District has established a district PMS forum. SRVM receives support from the District in respect to the use of their e-PMS tool.

### **Activities with other Municipalities**

Sundays River Valley Municipality is working with Blue Crane Route Municipality in the Zuurbeg High Impact Project – this is the upgrading of the road (R335) that link the two municipalities. The unemployed youth and SMMEs benefit substantially in this project. The project is implemented in two phases, namely – Airfield Development (phase 1) and R335 Addo Development (phase 2).

The planning phase with regards to a project on the revitalization of the rail network between the amalgamated Ikhwezi Municipality and SRVM has since blocked. The new municipal managers will have to restart these negotiations.

At a District level we are also in an agreement (SLAs) with Municipalities nearby with regards to Fires and Disaster Management.

### **Legal Matters**

The size of the Municipality makes it difficult to have a fully -fledged legal unit, as such the function is outsourced to outside legal service providers.

### **Audit**

#### **Audit opinions:**

During the past three financial years the municipality has received the following opinions from the Audit General:

2014/15 – Disclaimer audit opinion

2015/16 – Adverse Opinion

2016/17 – Qualified Opinion

Bases for Adverse opinion were as follows but not limited to the below stated:

- Sufficient and appropriate evidence was not provided in relation to Assets etc
- Material misstatements and misallocations
- Aggregation of Prior year errors

Below are recurring audit findings:

- Vat treatment
- Irregular expenditure
- Invoices not paid within prescribed timeframe
- Disagreements
- Information not submitted
- Monthly budget statements do not include budgeted amounts
- No clearance of GL accountants
- Incomplete payroll files
- Contingent liability schedule incomplete
- Reconciliations not performed

MPAC:

The Municipal Public Accounts Committee sits every quarter. It was agreed that meetings of the MPAC should be more frequent. However due to postponement of meetings and glitches in the organization of meetings, some MPAC meetings could not progress effectively as desired.

This led to the allocation of MPAC meetings to be organized by Internal Audit.

Invites are advanced to the Office of Auditor General and the Chairperson of the Audit Committee to advise on matters that need attention for Council to progress to an unqualified opinion.

An audit implementation plan is reviewed at every meeting of MPAC

Audit Committee and Internal Audit Function:

The municipality has an effective audit committee of four members with expertise in various areas, namely, Accountancy, Tax, Audit, Governance, Law, Performance Management, Human Resources and Risk Management.

The audit committee operates within an Audit Committee Charter adopted by Council and is reviewed on an annual basis. The charter gives the audit committee the authority to direct activities of the Internal Audit Function. The Internal Audit function also operates within an approved Internal Audit Charter which gets approved by the Audit Committee and is adopted by Council.

The Audit Committee recommends a three year rolling Audit Strategy and an annual Internal Audit Plan, which gets adopted by the SRVM Council. As part of the strategy and annual internal audit plan, the Internal Audit function prioritizes the review of the IDP prior to its adoption and advise accordingly. Furthermore the implementation of the IDP is regularly reviewed on a quarterly basis to evaluate the progress made to achieve the municipal strategic goals. Quarterly reports on the evaluations made for the implementation of the IDP are presented to Audit Committee, EXCO and through to Council for oversight.

Audit Action Plan

The report of the Auditor General with detailed findings is populated in an audit action plan template. The audit action plan is regularly followed up by Internal Audit to evaluate the progress made on action plans committed by management. The audit action plan is tabled at management, EXCO, Audit Committee and Council meetings.

**Political Governance Structures**

**WARD**

CLLR MC PAYI	-	WARD 1 (ANC)
CLLR ZA TOM	-	WARD 2 (ANC)
CLLR A DANCEY	-	WARD 3 (ANC)
CLLR LE BAKA	-	WARD 4 (ANC)
CLLR SC NODONTI	-	WARD 5 (ANC)
CLLR S H RUNE	-	WARD 6 (ANC)
CLLR AM NDAWO	-	WARD 7 (DA)
CLLR NG KAUSELE	-	WARD 8 (ANC)

**PR**

CLLR K SMITH	-	(DA)
CLLR K MBANGI	-	(EFF)
CLLR N JACK	-	(ANC)
CLLR F ADAMS	-	(ANC)
CLLR P R BLOU	-	(ANC)
CLLR M BOSMAN	-	(DA)
CLLR L ERASMUS	-	(DA)
CLLR N BIXA	-	ANC)

**PROPOSED STRATEGIES FOR INSTITUTIONAL TRANSFORMATION AND GOOD GOVERNANCE**

#	PRIORITY AREAS	OBJECTIVE	STRATEGIES	PROJECTS	TIMELINE	BUDGET
1.	Public participation	Timely consultation and public participation	(1)Mayoral imbizos (2)Sector consultations (3) IGR (4) Petitions strategy/policy (5) Ward committees and ward meetings	IDP/Budget consultative meetings War rooms Ward committee meetings Annual report/public hearings	Annual Ward committees sit 6-weekly	
2.	Special programmes	Representation, participation and inclusion of vulnerable groups in the municipal agenda	(1)establishment of forums for each vulnerable sector (2)Each structure must have a strategy/plan of action (3) awareness campaigns (training and skills) (4) advocacy and awareness campaigns for each group	-Awareness campaigns -Advocacy		
3.	Communication	To ensure effective communication and enhanced municipal image	Implementation of communication strategy (both internal and external)	The strategy will detail out the projects to be executed		
4.	PMS	To ensure a fully functional Performance Management System	Cascading performance management system Formulate a project team with clear terms of reference Training of all staff who will take part in the cascading of pms (a phased approach)	Piloting of cascading to all managers reporting to section 56  Training of all staff who will take part in the cascading pms (a phased approach)	2017/18 – 2018/19	50 000
5.	HIV/AIDS	To intensify HIV/AIDS awareness and education in SRVM	-Awareness and advocacy programmes  -Engagement with various stakeholders  Review of the HIV/AIDS plan	Implementation of the HIV/AIDS plan		62 500
6.	Audit	An improved audit	1. Audit improvement plan	1. Audit improvement		

#	PRIORITY AREAS	OBJECTIVE	STRATEGIES	PROJECTS	TIMELINE	BUDGET
		outcome	(development, implementation and monitoring of the plan). 2.Implementation and monitoring of audit committee recommendations 3. Fraud prevention	plan (development, implementation and monitoring of the plan). 2. Implementation and monitoring of audit committee recommendations 3. implementation of the fraud prevention plan (awareness and institutionalization of the fraud prevention strategy)	2018/19	
7.	Risk management	To institutionalize risk management	Risk assessment and creating awareness on risk management Implementation of the risk management strategy	Implementation of the risk management strategy		
8.	Oversight and compliance	Effective and efficient oversight function	Implementation of Council resolutions	Implementation of Council resolutions		
9.	Administration	Effective and efficient records management system	1. EDMS – electronic document management system 2. implementation of the system	1. Training on the system 2. Awareness		
10.	Recruitment/HR	Filling of vacancies	-Appointment to be made within 3months after the vacancy occurred. -Appointment of qualified and competent staff -There is a need to declare all critical posts -	Appointment to be made within 3months after the vacancy occurred. -Appointment of qualified and competent staff -There is a need to declare all critical posts - Development of the Human Resources Strategy		
11.	Training and capacity building	Capacity building and empowerment	Implementation of Workplace Skills Plan	Implementation of Workplace Skills Plan	On-going	650 00

#	PRIORITY AREAS	OBJECTIVE	STRATEGIES	PROJECTS	TIMELINE	BUDGET
		programmes to ensure skills enhancement of staff and Councillors	<ul style="list-style-type: none"> <li>-There needs to be an investment in skills training in particular fields that the Municipality is struggling with/lacks</li> <li>-To make available opportunities for internship programmes</li> <li>- We need to capacitate and optimize the functionality of the training and development committee</li> </ul>			
12.	Employment equity	To ensure that the municipality has employment equity plan and that targets are met	<ul style="list-style-type: none"> <li>-Implementation of Employment Equity</li> <li>-Adherence to equity norms as set in the equity plan informed by regional and national norms</li> <li>-To advertise vacant posts as per equity targets</li> </ul>	To recruit as per Employment Equity Targets and recommendations of Director General from Department of Labour		
13.	Employee wellness	To establish a culture of good health and safety standards for all the employees of SRVM	<ul style="list-style-type: none"> <li>To have frequent interactions between general employees, management and Councillors</li> <li>To offer assistance to all employees – financial advice, family related and work related issues</li> <li>Development of a wellness plan to address all worker related issues</li> </ul>	Conducting of employee health and safety programs		
14.	ICT	To optimise the information and communications technology(ICT)	<ul style="list-style-type: none"> <li>-To capacitate the ICT department</li> <li>-To optimize the functionality of the ICT steering</li> </ul>	Implementation of the Draft Recovery Plan, back-up system, business continuity plans		580 000

#	PRIORITY AREAS	OBJECTIVE	STRATEGIES	PROJECTS	TIMELINE	BUDGET
		function to support organizational performance	committee -linkage of satellite offices to the municipal network	and ICT policies		
15.	Decentralization of municipal offices	To make municipal services available to all people in the Valley	To decentralize municipal services/departments to all satellite offices  To make sure all satellite offices are connected to all ICT servers (ICT/telephone lines etc)  To engage all stakeholders (customers, union and employees) on the approach of decentralization of municipal services	Needs assessment of the services needed in the different areas (also an assessment of ICT needs)		

## **2.6. KEY PERFORMANCE AREA: Institutional Transformation and Development**

### **2.6.1. Organizational structure**

- The entire organizational structure was reviewed and approved by Council in May 2017 and it is now being reviewed for 2018/19. It will be submitted to Council for approval together with the IDP on the 31 May 2017.
- The approved staff complement for the Municipality is 240.
- There are currently 202 filled positions which include all section 56 positions;
- All section 56/57 positions are filled (Municipal Manager and Directors of Technical Services, Corporate Services, Community Services and Chief Financial Officer)
- SBDM is assisting the municipality with job evaluation and currently the municipality is busy designing job descriptions of all employees of Sundays River. The job descriptions are available but they are all undergoing a process of review.

### **2.6.2 Municipal Functions**

The Constitution (Chapter 7, section 152(1) and (2) as well as Section 153 (a) and (b) obliges and outlines the functions and services that are to be performed by local government. The Sundays River Valley Municipality (SRVM) obtains these functions through either allocation by legislative framework, Authorization by Minister of Provincial and Local Government or adjustment by the Provincial MEC for local government. The underlying table specifies some out of a number of functions that SRVM performs.

<b>Function</b>	<b>Service Authority</b>	<b>Service Level Agreement (SLA)</b>	<b>Capacity</b>
Air Pollution; Noise Pollution	District & SRVM	YES	SRVM has adequate staff and equipment to provide the service in the entire area and there are no backlogs; by-laws in place
Building Regulation	SRVM	N/A	2 Staff members perform the function and there are no backlogs; by-laws in place
Child Care Facilities	SRVM	NO	
Electricity Reticulation	SRVM	YES	Two staff members are able to monitor external service provider (Eskom) and service backlogs are estimated to be addressed in line with housing development; by-law in place

### **Staff Complement**

<b>DIRECTORATE</b>	<b>POSITIONS ON STRUCTURE</b>	<b>FILLED POSITIONS</b>	<b>VACANT POSITIONS</b>
OFFICE OF THE MAYOR	6	4	2
MUNICIPAL MANAGER	22	13	9
CORPORATE SERVICES	25	20	5
FINANCIAL SERVICES	44	37	7
COMMUNITY SERVICES	130	100	30
TECHNICAL SERVICES	68	55	13
<b>TOTALS</b>	<b>295</b>	<b>240</b>	<b>57</b>

## 2.6.2. Internal Policies

An essential requirement for rendering services is that political office bearers and public managers should work jointly in formulating policies of an institution. Public managers are tasked with the responsibility of formulating policies, implementing policies and analysis and evaluating the impact these policies have on general welfare of the people.

The Municipality has over the past years adopted a plethora of policies with the primary objective of running a clean administration on the principles of good cooperative government. In addition, the policies are intended to be reviewed on annual basis to test their relevance and compliance with the strategic objectives of Council. The following policies and plans have been reviewed (some developed) and approved in terms of the turnaround plan of Council:

- Delegation of authority
- Standing rules and orders
- Education and development policy
- Telecommunication policy
- Recruitment and selection policy
- Staff transfer
- Health and safety policy
- HR Plan
- Fraud Prevention policy
- Training and Retention policy
- Information security policy
- Data and systems security policy
- Server room access security policy
- Password policy
- Computing and networking acceptable use guidelines policy
- 3G card policy
- Employment equity plan
- HIVAIDS policy
- Incapacity/ill health policy
- Sexual harassment
- Smoking policy
- Substance abuse policy
- Retirement planning
- Unauthorized absence
- Uniform protective clothing

### **2.6.3. Human Resource Management**

The Department Cooperative Governance and Traditional Affairs assisted the municipality with the development of an HR Plan in 2010 and was reviewed in 2014. The information reported below is from the 2014 HR Plan unfortunately the fire incident of September 2014 left the archives and computers in ashes (Servers were also burnt and the document could not be retrieved).

The Local Labour Forum is established to deal with employee relations and demands. The composition is comprised of four delegates per delegation between employer and employee parties. It meets in accordance with the approved schedule of Council – this is once every six (6) week interval. Challenges that were experienced for LLF not to meet regularly have been overcome.

#### **2.6.3.1 Employment Equity Plan**

The Employment Equity Act (55 of 1998) addresses the legacy of our country regarding race, gender and disability. The Act advocates for improvement of the equity targets. It is intended to ensure that the workplace is free of discrimination and that employers take active steps to promote employment equity. Chapter 3 of the Act requires employers to take certain affirmative action measures to achieve Employment Equity. Furthermore, the Municipality is committed to ensure that the administration of the Sunday's River Valley is more broadly representative of the communities it serves and to create an organizational culture that is non-discriminatory.

The Municipality also reports on the implementation of the previous year's plan. The new plan was developed December 2016 and was presented to the equity and training committee in the current financial year. The plan will be submitted to Council on or before the 31 May 2018. The Department of Labour reviewed our plan and the following challenges were identified:

The equity and training committee monitors the implementation of the plan on a quarterly basis through meetings. The Head of departments (section 57 managers) shall play a vital role in the implementation of the plan through selection and placement strategies. The Director Corporate Services was appointed as the Employment Equity manager. The implementation will also include monitoring, evaluating, reviewing and renewing the plan and reporting on progress.

The summary of the Act is displayed in all council offices as required by law. Council is forever attempting to comply with the Employment Equity Plan in terms of its annual targets notwithstanding the cash flow challenges.

#### **2.6.3.2. Skills Development Plan**

- The Skills Development Act of 1998 requires employers to plan and implement learning that will enable employees to acquire skills and qualifications that will enhance their performance, whilst also optimizing the organization's functioning.
- The Municipality is committed to implementing its IDP and the key to this is ensuring that further learning programs and skills development are informed by the Plan, which is regularly updated in compliance with the Act.
- The Workplace Skills Plan is submitted annually to LGSETA by 30 April as required.
- The Skills Development Plan is in place but its implementation is compromised by the cash flow problem.

## **2.7 KEY PERFORMANCE AREA: Financial Viability And Management**

### **2.7.1. Overview of Financial Viability**

Sundays River Valley Municipality can be categorised as a developing or growing municipality simply because it has a citrus farms and national parks making it one of the economic hubs of the Sarah Baartman District.

Developing municipalities will require significant additional resources and funding to conduct the growth that is expected of them. With the demands for growth come risks that need to be managed. The priority from a financial risk perspective is the viability and sustainability of the Municipality.

The financial sustainability of the municipality remains our main priority therefore Sundays River Valley Municipality needs to ensure that its operating budget is balanced and cash-funded (realistically anticipated revenue to be received / collected that covers expenditure). As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable; and, that the full costs of service delivery are recovered. However, to ensure that households which are too poor to pay for even a portion of their basic services at least have access to these basic services; there is a need for the subsidisation of these households through an indigent support subsidy.

The operating budget should also generate reasonable and sustainable cash surpluses to assist with the financing of capital budget expenditure since Sundays River Valley infinitely cannot continue to finance capital projects with external borrowings. Net financial liabilities (total liabilities less current assets) as a percentage of total operating revenue (capital items excluded) should be below acceptable target levels to ensure long-term financial sustainability. Current assets should be maintained and renewed or replaced in time to ensure that services are rendered at the desired quality levels over the long-term

#### **2.7.1.1 Financial Viability and Management: SWOT Analysis**

The SWOT analysis gives context to the entire 5 Year Plan as seen in the table below:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>• Strong and influential financial policies, procedures and practices as evidenced by inputs to MFMA Circular 68, 71 and Compilation of AFS guide from NT</li><li>• GRAP Compliant AFS</li><li>• Strong and capable management (Core functions performed internally)</li><li>• Unified management</li><li>• Strong balance sheet</li><li>• GRAP and MFMA Compliant Budgets</li></ul>	<ul style="list-style-type: none"><li>• Low revenue and debt collection rate.</li><li>• Grant dependency</li><li>• Misalignment of indigent registers.</li><li>• Inadequately capacitated Junior Staff</li><li>• Ineffective implementation and monitoring of internal controls</li><li>• Poor customer service</li><li>• Vulnerable liquidity position</li><li>• Lack of automated system to implement policies and processes</li><li>• Low liquidity ratio</li><li>• Performance Management System not cascaded to lower level staff</li></ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• Expanding our revenue base e.g. provision of bulk electricity and providing services to the affluent areas</li><li>• Participation in strategic national networking symposiums</li></ul>	<ul style="list-style-type: none"><li>• High unemployment rate</li><li>• Culture of non-payments by consumers</li><li>• Skills attraction and retention due to low</li></ul>

## **2.7.2 STAFF COMPONENT**

The department is headed by the Chief Financial Officer with the following departments:

Department	Number of active employees	Function
Revenue	21	Ensure timely billing to generate revenue, Cater for FBS, Ensure implementation of credit control and debt management
Expenditure	2	Ensure proper accounting principles applied to produce actual expenditure
Budget	2	Preparation of Budget in line with IDP and SDBIP Compile reports to determine financial status of municipality
Assets	3	Safe guard the assets of the municipality Recording of assets of the municipality
Supply Chain Management	1	Procure all needs of the municipality in terms of approved regulations

## **2.7.3. OVERVIEW OF MUNICIPAL BUDGET**

One of the biggest challenges of the Financial Plan is matching increased service demands with a relatively stagnant revenue base.

These challenges make the need for realistic and timeous financial planning even more critical. The Financial Plan is necessarily informed by available resources. This contradicts strongly with the demands of the Strategic Plan which is visionary and goal oriented, striving to achieve an improved quality of life for all the residents and communities in the Sundays River Valley Municipality. However, a Strategic Plan without the support of a disciplined Financial Plan is ultimately doomed as unattainable and "pie in the sky". The Financial Plan provides the framework within which human challenges can be addressed in a realistic and often incremental manner based on the available resources. It steers away from creating unrealistic expectations, frustrations and anger. Sundays River Valley Municipality is faced with the enormous task of eradicating its massive backlogs in service provision. This would require massive resources to address. It is now paramount to concentrate on the financial planning part of this IDP to determine how and when these backlogs can be addressed on a sustainable basis and within the context of available resources.

The Sundays River Valley Municipality's budget is MFMA compliant with principles of the MFMA now fully introduced and entrenched in the Municipality's financial affairs. Yet, the municipality needs to address its financial challenges on the following basis by:

- Further improving the Municipality's image by using the new procedures to enhance service delivery.
- Ensuring that the systems introduced continuously improve during the year.
- Preserving the Municipality's cash flow position.
- Further enhancing public participation in the next budget cycle.
- Continuing to improve on information provided to decision makers.
- Ensuring that growth in services is more closely aligned with citizen's expectations.
- Adjusting the organisation in line with information produced from the performance management system

#### 2.7.3.1 THREE YEAR MUNICIPAL BUDGET

Financial viability and management remains one of the key priorities of Council. It remains more critical in the light of the current economic situation, which among other things requires self-sustenance and prudent financial controls. The Municipality's cash flow situation still needs to improve further. The plan is to build up a working capital reserve of two to three months' expenditure of the Municipality in the ensuing years. The budget for the municipality is summarised as follows

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE			
DESCRIPTION	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R'000			
TOTAL REVENUE BY SOURCE	270,948,983.54	261,233,334.58	270,547,647.98
TOTAL OPERATING EXPENDITURE	(239,001,529.23)	(249,592,136.22)	(262,546,409.30)
(SURPLUS) / DEFICIT	<b>31,947,454.32</b>	<b>11,641,198.35</b>	<b>8,001,238.67</b>
CAPITAL	107,087,266.72	54,939,400.00	48,778,200.00

### 2.7.3.2 REVENUE AND EXPENDITURE FRAMEWORK

The table that follows indicates the expected operating revenue and expenditure for the Sundays River Valley Municipality. It includes revenue that would actually flow into the Municipality as well as allowances for billed, but not collected income. The “bottom line” is the disposable operating revenue, i.e. the amount that the Municipality would have to allocate in terms of this.

Table below is summary of revenue by source

Description	Original Budget Year 2018/19	Original Budget Year 2019/20	Original Budget Year 2020/21
<b>R thousand</b>			
<b>Revenue By Source</b>			
Property rates	48,950	51,593	54,431
Service charges - electricity revenue	16,290	17,405	18,595
Service charges - water revenue	14,067	14,826	15,642
Service charges - sanitation revenue	5,812	6,126	6,463
Service charges - refuse revenue	9,027	9,515	10,148
Rental of facilities and equipment	68	70	73
Interest earned - external investments	1,843	1,942	2,049
Interest earned - outstanding debtors	9,126	9,619	10,148
Fines, penalties and forfeits	3,169	3,343	3,527
Licences and permits	1,946	2,051	2,164
Agency services	2,859	3,013	3,179
Transfers and subsidies- operational	94,751	97,707	109,361
Other revenue	559	603	648
Transfers and subsidies - capital (monetary allocations)	62,482	43,420	34,121
<b>Total Revenue (including capital transfers and contributions)</b>	<b>270,949</b>	<b>261,233</b>	<b>270,548</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>208,467</b>	<b>217,813</b>	<b>236,427</b>

The most significant source of internal income is the income from the rates and service charges. The current budgeted percentage of internal revenue is 45%. The collection rate for the service income still requires a lot of improvement to ensure the achievement of the service delivery targets. The Sundays River Valley Municipality is implementing its credit control and debt management policy to ensure that this is achieved and that all outstanding debts are collected. The collection of these outstanding debtors is a priority of the Municipality and is receiving the most urgent attention. The Municipality has initiated the following interventions to address revenue collection challenges, namely data cleansing exercise, changing faulty meters, restriction and/or disconnection of services where applicable, and intelligent meter installation project. These interventions address the challenges around the billing system including the accuracy thereof as well as the use of arrears from the past to encourage and reward payment of the current account

## **REVENUE GENERATION**

In order to serve the community and to render the services needed, revenue generation is fundamental for financial sustainability. The reality is that we are faced with developmental backlogs and poverty challenging our revenue generation capacity. The needs (being capital or operational of nature) always exceed the available financial resources. This becomes more obvious when compiling the annual budget and marrying it with the community's needs as recorded in the IDP. This is a worldwide problem and therefore available financial resources should be utilised where it delivers the biggest impact on outcomes that will improve the quality of life of our local communities.

### **A. Revenue Management**

- Date cleansing has been performed to ensure the integrity of billing information and accuracy of customer accounts.
- Acquisition of meter reading equipment to eliminate estimates and inaccuracy
- Updating and re-registering of indigent list to ensure effective targeting and improved systems
- Installation of prepaid meters to monitor losses and improve revenue
- Punitive steps are being instituted against non-payment by customers as is the case with any other financial transaction and institution.
- Revenue enhancement strategy has been developed and is implemented in phases to stabilise financial performance

### **B. Collection of Outstanding Debt**

The payment ratio as per audited 2017 Annual Financial Statement revealed a collection percentage of 48 based on total billings for the year and total receipts for the year. The high levels of debt to suggest deficient efforts to collect billed revenues due to:

- Poor implementation of the debt and credit control policy
- Tariffs are not cost-reflective and municipal
- They subsidise customers for electricity
- Large number of indigents not registered, however a robust drive to register indigents is now underway

The municipality is in the process of implementing intelligent/smart meters throughout which will assist in ensuring that consumers buy water and electricity in advance and also restricted consumers receive water up to the free basic service level and nothing more. This will elicit response from consumers and will not increase debt and thus increase collection rate.

## EXPENDITURE

Description	Original Budget Year 2018/19	Original Budget Year 2019/20	Original Budget Year 2020/21
<b>R thousand</b>			
Employee related costs	67,101	71,731	76,572
Remuneration of councillors	7,200	7,697	8,217
Debt impairment	27,521	28,401	29,310
Depreciation & asset impairment	38,177	38,177	38,177
Finance charges	3,385	3,571	3,768
Bulk purchases	26,256	28,486	30,911
Other materials	3,647	3,851	4,067
Contracted services	29,555	29,290	30,858
Other expenditure	37,908	40,790	43,048
Loss on disposal of PPE			
	<b>240,749</b>	<b>251,994</b>	<b>264,928</b>
<b>Surplus/(Deficit) for the year</b>	<b>30,200</b>	<b>9,239</b>	<b>5,620</b>

Table above is summary of expenditure by type

Best practice methodologies relating to operating expenditure utilised by the municipality include but not limited to:

- infrastructure repairs and maintenance as a priority;
- budgeted expenditure to be funded by realistically anticipated cash backed revenues; and, operational gains and efficiencies to result in operating surpluses to fund capital expenditure from own cash backed funds. The latter is a great challenge.

### C. Under spending on Repairs and Maintenance

The medium to long-term consequences of under-spending on repairs and maintenance shortens the useful life of assets and thus necessitates earlier replacement. SRVM under spends on repairs and maintenance due to:

- Increasing expenditure trend-Cash flow constraints
- Insufficient budget to ensure the continued provision of services
- Lack of repairs and maintenance plans

The municipality has appointed a service provider to assist with the development of masterplans for all infrastructure categories. This exercise will continue in the 2018/19 financial year as it is extensive in nature and has not been performed previously. Upon completion of all masterplans with a repair and maintenance plan be drafted taking into account all factors necessary to ensure we get maximum use form our assets and cater for the communities accordingly.

For now, the municipality will continue to perform repairs and maintenance on a corrective base which is not ideal as by doing so we are not a responsive institution but a reactive one which is against our strategic goal.

#### **D. Spending on non-priorities**

SRVM prioritises cost items that have a direct impact on communities, however few exceptions are noticed with respect to:

- Expenditure not budgeted for being incurred
- The absence of procurement plan to manage cash throughout the year

However, the municipality has responded to the 2017 State of the Nation Address by the President, the cost containment measures announced by the Minister of Finance in 2013 were re-emphasised. The municipality has taken a stand with this regard and has approved cash containment measures in line with national priorities for 2017/18.

#### **E. DISTRIBUTION LOSSES**

The Municipality experiences water losses which are as a result of unaccounted for water and water leaks. It should also be noted that unbilled water also contributes to the increase in unaccounted for water especially in Enon and Bersheba and Moses Mabida.

To reduce the unbilled water losses due to incorrect meter reading, illegal water connections and unmetered water connections, the supply area is to be zoned into smaller control areas and bulk meters installed. The reading routes will then be aligned to the supply zones and reading of both the individual meters and the bulk meter will be aligned for each zone to facilitate water balancing. Variances will be analysed so as to identify the reason for losses. The Municipality has embarked on a water loss monitoring exercise where the different areas are being monitored using the bulk meters, so as to identify areas where there are excessive water losses, and when identified a plan of action is put in place to reduce the water losses.

The municipality also experiences electricity losses which is a result of illegal connection and unmetered electricity connections. To eliminate the electricity losses, the municipality has performed a meter audit and identified households where prepaid meters are to be installed. Prepaid meter will be installed as an on-going exercise and customer are continuously encouraged to come forward so we can convert accordingly.

#### **2.7.4 Financial Recovery Plan**

*The* municipality has a financial recovery plan. This is currently being implemented so to address cash flow challenges. The plan includes the following key objectives:

- Payment arrangements to service long outstanding debt
- Network and financial system maintenance
- Establishment of functional FBS unit
- Better implementation of credit and debt policy
- Communication strategies
- Prioritization of service delivery

#### **2.7.5 Policies and By-laws**

Council's financial policies are reviewed annually and amended according to need and/or legislative requirements. The municipality has the following policies:

- Asset Management policy,

- Indigent Support policy,
- Rates policy,
- Credit control policy,
- Financial Management Policy,
- Bank & Investment policy,
- Write Off policy,
- Supply Chain Policy, and
- Tariff Policy
- Customer care policy
- Fruitless, Wasteful and Irregular expenditure
- Policy on usage and safety of assets.

The borrowing policy, funding and reserves and long-term financial plan are included in the financial management policy. These policies upon approval by Council are promulgated into by laws and gazetted thereafter. Rates and Traffic by-laws were approved by Council and gazette.

National Treasury has introduced a new Standard Chart of Accounts for municipalities which are commonly referred to as mSCOA. Sundays River Valley Municipality has implemented mSCOA and functioning on the correct mSCOA version 6.1 database as from 1 July 2018 and therefore will already base the 2018/19 budget on mSCOA principles (version 6.2) with effect from 01 July 2018.

mSCOA is a business reform which requires multi-dimensional recording and reporting of every transaction across the 7 segments of mSCOA. It also provides a uniform and standardised financial transaction classification framework for all municipalities in South Africa and will facilitate improved alignment between the IDP, budget, SDF and other strategic processes within the municipality. The unique mSCOA segments include the following:

- Project – Does the transaction relate to a specific project and if so, what type of project;
- Function – Against which function or sub-function should the project be recorded;
- Municipal Standard Classification – Against which organizational vote or sub-vote should the transaction be recorded;
- Item – What is the type and nature of the income or expenditure;
- Funding – Against which source of funding is the payment allocated and against which source is the revenue received;
- Regional Indicator- Which geographical area is deriving the benefit from the transaction and;
- Costing – Provides for the re-distribution of primary costs between functions

## **2.7.6 Revenue Enhancement Strategy**

For Sundays River Valley Municipality to maintain and also continue to improve the quality of services provided to its citizens, it needs to generate the requisite revenue. Local communities must understand that the continued generation of cash via prudent budgeting, credible income policies and sound financial management systems are critical to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty and the resources required to address these challenges will, inevitably, exceed available funding. Hence, difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which strives to ensure a 75% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

A logical approach should be that trading services should be cost-reflective, which implies that sufficient revenue should be raised to cover all the costs associated with the provision of these services. The inflation forecast for the MTREF period is on an average 5.4% per annum, excluding ESKOM. The municipality's aim is to not exceed inflation in its annual tariff adjustments, but the following factors hamper this goal and are often beyond the control of the municipality:

- the new general valuation
- ESKOM electricity increases
- bulk water purchases and
- national collective agreements on salary increases

The Finance Directorate will be embarking on a number of strategic thrusts and actions within its resources capacity to maximise or, at best, maintain revenue raising at its current levels. This will ensure that Council can continue to meet its constitutional requirements.

A comprehensive revenue enhancement strategy is undertaken and it includes:

- Cleaning of the debtor database to ensure that all consumers are levied for all services received at the correct tariff for such service.
- Reviewing and formalising an indigent policy for the municipality.
- Ensuring that all consumers that qualify in respect of such approved indigent policy are registered.
- Implementing credit control measures to significantly improve payment levels and ensure that consumers that can pay do so.
- Reviewing Council's tariff policy in respect of the subsidy of free basic services and to ensure that the actual cost of services is recovered through the respective tariffs.
- Restructuring of the operational budget to ensure that the budget is cash funded and that it reflects actual payment levels in respect of bad debt provision.
- Investigating distribution losses in respect of electricity and water to ensure that electricity and water purchased is billed
- Appointment of a debt collection agency to assist in collecting outstanding debt
- Restructuring offices to ensure efficiency in operations

## **2.7.7 GRAP Compliances-Asset Management Strategy**

The municipality completed GRAP 17 implementation during 2016/17 financial year and has now a comprehensive database of all assets within the organisation. An asset management unit has been established and has 3 warm bodies capacitating the unit.

The asset register is updated and functional for municipal assets. A service provider has been appointed and works tirelessly to ensure the section attends best to audit findings and improve the unit in its entirety.

The following functions are performed:

- Conducting physical verification of movable assets on a quarterly basis to ensure the accuracy of the Fixed Assets Register
- Ensuring that all Municipal assets are insured adequately
- Ensuring that all Municipality assets are tagged/barcoded
- Performing Impairment testing on infrastructure assets
- Liasing with Head of Departments to ensure that the safekeeping and safeguarding of assets under their control is prioritised
- Reviewing of useful lives and residual values on an annual basis

- Depreciation of all asset classes
- Disposal of all auctioned assets
- Capitalised all assets purchased in Financial year

#### CHALLENGES WITH ASSETS SECTION:

- Ageing infrastructure assets with inadequate investment plans for replacements
- Minimal repairs & maintenance been done on infrastructure assets due to funding constraints.
- Low asset turnover ratio
- Absence of an electronic infrastructure asset management system from project construction to repairs and maintenance.

#### PROPOSED SOLUTIONS:

- External grant funding is to be sought to address the minimal repairs and maintenance due to our revenue base being predominantly rural/indigent.
- An Integrated Asset Management System is to be investigated and cost taking into consideration growing municipal assets base.

#### ACHIEVEMENTS:

- Ensuring that all completed projects in prior years were capitalised i.e. recorded on the Asset Register so to ensure all Infrastructure Assets are recorded accurately, including those still in work-in-progress.
- Developing and maintaining working relationships with key Department/Units within the Municipality, especially the Technical Services Department.

#### **2.7.8 Annual Financial Statements**

The 2016/17 annual financial statements were prepared in accordance with Generally Recognized Accounting Practice Standards, National Treasury formats.

##### **Basis used to prepare the municipality's annual financial statements**

- Accrual basis of accounting
- Standards of GRAP approved by the Accounting Standards Board.
- Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted
- On the basis of a going concern

It is the responsibility of the accounting officer to make sure that the annual financial statements are prepared based on the prescribed format and submitted to Auditor General on time as prescribed by the MFMA. An AFS process plan was developed to safeguard against non-compliance and compilation of the AFS. It has been implemented from March and will be an on-going process till AFS are submitted.

The Financial Statements attached relate to the previous 2 years of audited financial information 2014/15 and 15/16 financial years.

The municipality has developed an AFS plan for the 2017/18 financial year to ensure all items are dealt with and the audit file is in place come submission time. Below find high-level AFS preparation plan:

SUNDAY'S RIVER VALLEY LOCAL MUNICIPALITY MID-TERM AND ANNUAL FINANCIAL STATEMENT 2017/18			REVIEW
Assignment	Description of assignment	STAFF RESPONSIBLE FROM LM	First Review
<b>Planning and Mobilisation</b>	Project Governance (Establish PSC, frequency of meetings)	CFO	CIA / Treasury Support
<b>Planning and Mobilisation</b>	Review and approve project plan	CFO	CIA / Treasury Support
<b>Planning and Mobilisation</b>	Project Steering Committee Meetings	CFO	CIA / Treasury Support
<b>Opening balances</b>	<ul style="list-style-type: none"> <li>Reconcile prior period accounting system TB and ensure that it agrees to the audited prior year financial statements.</li> <li>Reconcile the process for the "roll-forward" of the balances for the year ended 30 June 2016 on Caseware.</li> <li>Confirm balances agree to the final audited financial statements for 2016.</li> </ul>	CFO	CIA/ Treasury Support
<b>AG queries 2016</b>	Addressing all AG queries raised in prior year	Senior accountant.	CFO / Treasury Support
<b>Review of GRAP compliant accounting policies</b>	<ul style="list-style-type: none"> <li>Review the accounting policies that management proposes to include in the 2016/2017</li> <li>Financial statements based on available best practice. . Review procedure manuals,policies and systems descriptions</li> </ul>	CIA & Treasury	Audit Comm
<b>Inventory</b>	<ol style="list-style-type: none"> <li>1. Perform stock taking and reconcile inventory listing at mid-year and year-end.</li> <li>2. Ensure stock count documentation in order</li> <li>3. Obtain water valuation report from expert at mid-year and year-end.</li> </ol>	Assets	CFO

<b>Trade Receivables</b>	1. Perform monthly debtors reconciliations. 2. Perform provision calculations at mid year and year end & obtain council resolution for write off of bad debt 3. Check for creditors with debit balances. 4. Obtain warrant books with warrant duplicates which support fines recognised as receivable. 5. Reconcile warrants issued to GL.	Income	Treasury Support
<b>Other Receivables</b>	Ensure that there is adequate supporting documentation for Other Receivables.	Income	Treasury Support
<b>Cash &amp; cash equivalents</b>	1. Perform the monthly bank reconciliations. 2. Update and reconcile the investment register. 3. Obtain bank confirmations.	Susan ,Kosi and Mapukata	CFO
<b>Investment Property</b>	Compare FAR to GL. Check against deeds office for transfers	Assets	CFO
<b>Property, Plant &amp; Equipment (Inc. Intangible Assets &amp; Heritage Assets)</b>	Perform monthly recons and Compare FAR to GL. Ensure supporting documentation on file	Assets	CFO
<b>Borrowings</b>	1. Obtain monthly loan amortisation tables. 2. Obtain loan confirmations at year-end.	BTO	CFO
<b>Finance lease obligation</b>	1. Update lease register. 2. Prepare lease amortization schedules. 3. Reconcile schedule to TB. 4. File all lease agreements.	Assets	CFO
<b>Trade payables</b>	1. Perform monthly reconciliation of creditors sub-ledger to the general ledger (control account). 2. Compile the accruals listing. 3. Review suspense accounts. 4. Obtain leave register and calculate the leave gratuity and leave accrual / provision. 5. Perform monthly payroll reconciliations. 6. Ensure that debtors with credit balances are correctly accounted for.	Expenditure Internal Audit & Income section	CFO
<b>VAT payable</b>	Perform VAT Reconciliations for 2016/17	Expenditure	Treasury Support
<b>Consumer deposits</b>	1. Obtain consumer deposits listing and receipts. 2. Reconcile listing to GL.	Income	Treasury Support
<b>Current portion of unspent conditional grants and receipts</b>	Perform the conditional grants reconciliations monthly	Grants and Investments	CFO

<b>Employee benefit obligations</b>	Obtain actuarial valuation reports and documents pertaining to fund and scheme rules and ensure that employee benefit obligations are correctly accounted for and disclosed.	BTO	Treasury Support
<b>Provisions</b>	1. Obtain the municipality's estimate of the current costs of restoring the environment surrounding the landfill sites and documentation used to arrive at the estimate.	Assets	Treasury Support
<b>Accumulated Surplus</b>	Review journals and supporting documentation.	BTO & CFO	Treasury Support
<b>Services charges</b>	Reconcile consolidated billing reports to GL.	Income	Joko & Treasury Support
<b>Rental of facilities and equipment</b>	1. Ensure registers of deposits, rentals and all direct income received are prepared.	Income	Joko & Treasury Support
<b>License and permits</b>	Reconcile eNatis reports to the GL.	Income	Treasury Support
<b>Other income</b>	Compile the register of all sundry income.	Income	Joko
<b>Interest earned - external investments</b>	1. Obtain and review the investment register and reconcile to bank statements. 2. Reconcile interest received per the investment register to the GL.	Grants and Investments	CFO
<b>Income from agency services</b>	1. Reperform calculation of income from agency services based on contract. 2. Reconcile calculation to GL.	Income	Treasury Support
<b>Property rates</b>	Perform rates reconciliation between valuation roll per the property valuer and the valuation roll per the accounting system.	Income	Joko
<b>Government grants and subsidies</b>	Recognise grant revenue in GL on monthly basis	Grants and Investments	CFO
<b>Fines</b>	1. Obtain warrant books with warrant duplicates which support fines recognised as revenue. 2. Reconcile warrants issued to GL.	Income	Treasury Support

<b>Personnel</b>	1. Reconcile payroll reports to GL. 2. Obtain evidence that the local bargaining forum has approved general salary increases. 3. Review salary run documentation. 4. For municipal houses, obtain rental agreements entered into between the municipality and the employees. 5. Obtain wage register. 6. Obtain list of promotions. 7. Obtain list of terminations.	Expenditure	CIA
<b>Remuneration of councillors</b>	Reconcile payroll reports to GL.	Expenditure	CIA
<b>Depreciation and amortisation expense</b>	Ensure that the depreciation per the FAR agrees to the GL and AFS.	Assets	CFO
<b>Impairment losses &amp; Disposals</b>	1. Ensure that the impairment loss per the FAR agrees to the GL and AFS. 2. Perform provision calculations and gains & losses on disposals at year end. 3. Obtain council resolution for disposals and write offs	Assets	CFO
<b>Finance costs</b>	1. Reconcile finance costs per finance lease amortization schedules to GL. 2. Reconcile finance costs per provision of landfill site estimate to GL. 3. Review the GL for interest charged on overdue accounts.	Expenditure & Assets	ONO & CFO
<b>Lease rentals on operating leases</b>	1. Lease agreement and straight-lining schedule. 2. Reconcile straight-lining schedule to GL.	BTO & Expenditure	CFO
<b>Repairs and maintenance</b>	Review repairs & maintenance expense accounts to confirm no assets included.	Expenditure & Assets	CFO
<b>Bulk purchases</b>	1. File all payment vouchers supporting GL. 2. Reconcile payment vouchers to GL.	Expenditure	CFO
<b>General expenses</b>	1. Auditors fees - reconcile GL to supporting documentation. 2. Consulting fees - reconcile GL to supporting documentation. 3. Ensure totals recorded in the AFS agree with the Trial Balance.	BTO & Expenditure	CFO
<b>Cash flow Statement</b>	Prepare GRAP compliant cash flow statement.	BTO & CFO	CIA & Treasury Support

<b>Budget vs Actual/ Unauthorised expenditure</b>	1. Compare actual expenditure to the approved annual budget for the 2016/17 financial period. 2. Compare the expenditure to date to the contract amount per the contract register and include instances where expenditure exceeds the contract amount to the unauthorised expenditure register for 2015/16.	BTO	Treasury Support
<b>Irregular Expenditure</b>	1. Review payment vouchers and contracts awarded for irregular expenditure. 2. Update the irregular expenditure register for 2016/2017.	SCM	Treasury Support
<b>Commitments</b>	1. Review the contract register for 2016/17 and confirm commitments, which should be the difference between the contract amount and the expenditure to date. 2. Review the bid adjudication committee reports for 2016/17 to confirm that bids awarded but not contracted are included as part of commitment for 2016/17.	SCM & Grants	Treasury Support
<b>Preparation of AFS 2016/17</b>	Prepare the 2016/17 AFS	CFO ,Accountants & Interns	CIA / Treasury Support
<b>Submission of AFS</b>	Submit AFS to management, Internal Audit		CIA / Treasury Support
	Prepare audit working paper file	CFO ,Accountants & Interns	CIA / Treasury Support
	Submit AFS to MPAC, Audit Committee, Council		
<b>Findings raised by CIA, AC &amp; MPAC</b>		Submit AFS to the Treasury/AG	
<b>Audit support</b>	1. Responding to AG RFIs and COAFs 2. Adjusting AFS with AG queries	CFO & Accountants	CIA / Treasury Support

## 2.7.9 Financial Analysis

The selected trends and financial ratios relating to Sundays River Valley Municipality for the previous two years are listed below. These provide a platform to analyze the current financial situation of the municipality.

Description Budget	Budget 2014/15	Actual 2014/15	% Spent	Budget 2015/16	Actual 2015/16	% Spent
Operating Expenditure	142 174	189 015	133%	200 414	167 877	84%
Description Budget	Budget 2014/15	Actual 2014/15	% Spent	Budget 2015/16	Actual 2015/16	% Spent
Capital Expenditure	27 618	44 467	161%	33 848	33 479	99%
Description Budget	Budget 2014/15	Actual 2014/15	% Spent	Budget 2015/16	Actual 2015/16	% Spent
Repairs and Maintenance	2 552	2 014	79%	6 108	3 993	65%
Operating Expenditure	142 174	172 785	122%	200 414	167 877	84%
% of RM to Operating Expenditure	2%	1%	65%	3%	2%	78%
Description Budget	Budget 2014/15	Actual 2014/15	% Spent	Budget 2015/16	Actual 2015/16	% Spent
MIG	34 147	28 702	84%	23 620	30 794	130%
FMG	1 800	1 642	91%	1 875	2 023	108%
MSIG	934	673	72%	802	1 057	132%
INEG	–	–		1 500	1 500	100%
EPWP	1 000	419	42%	1 000	1 585	158%
Description Budget	Budget 2014/15	Actual 2014/15	% Spent	Budget 2015/16	Actual 2015/16	% Spent
Salaries	45 929	41 132	90%	47 326	47 556	100%
Operating Expenditure	142 174	172 785	122%	200 414	167 877	84%
% of Salaries to Operating Expenditure	32%	24%	74%	24%	28%	120%
Description Budget	Budget 2014/15	Actual 2014/15	% Spent	Budget 2015/16	Actual 2015/16	% Spent
Total Income	150 231	210 743	140%	162 096	186 588	115%
Description Budget	Budget 2014/15	Actual 2014/15	% Spent	Budget 2015/16	Actual 2015/16	% Spent
Total Income	150 231	210 743	140%	162 096	186 588	115%
Grants Recognised	77 284	79 924	103%	87 310	95 037	109%
% of grant received to Operating Income	51%	38%	74%	54%	51%	95%

## 2.7.10 Free Basic Services

Since 1994 the South African government has introduced numerous laws, policies and strategies to improve the socio-economic conditions of poor households. At the national level there is social assistance in the form of cash grants that target different groups e.g. children, foster children, people with disabilities, older persons and the unemployed. These social grants have been very successful, contributing in large part to combating absolute poverty in the country.

There is also a system that operates at the local government level, relating to the provision of benefits in kind in respect of basic municipal services e.g. water, sanitation, electricity, and refuse removal known as

indigent support. The Sundays River Valley Municipality has an Indigent Policy in place; the indigent support entails:

- Provision of "free basic" water up to 6 kiloliters every month
- Provision for "free basic" sewer services
- Provision for "free basic" electricity at 50 kilo watts
- Provision for "free basic" refuse services

The household income beneficiary threshold qualification for indigent support is R 3 500 per household. The register of Indigent consumers is being updated monthly and is limited to consumers who have made application and have been approved. However, some consumers have not applied even though they qualify for the Indigent Programme. This is mostly due to a lack of knowledge about the programme. In most areas of the municipality (satellite offices), a Free Basic Service unit is being developed to ensure they educate and advise the customers accordingly.

The FBS section being established will have staff who dedicate their time and energy only on the allocated accounts as the service provider for debt collection has been allocated certain portfolios, building the necessary relations with the respective debtors and ensuring that the debts are recovered in the shortest possible time.

The municipality has 14 thousand customers and 2413 are registered as indigent with a book debt value of R51 million.

## **2.7.11 Supply Chain Management Strategy**

The Municipality has a Supply Chain Management Unit that is fully functional and established within the Finance Department. All SCM activities are performed in line with Chapter 11 of the MFMA (No. 56 of 2003), PPPFA (No. 5 of 2000) and the 2017 Preferential Procurement Regulations and the SCM Policy. The Unit has four elements, namely, demand, acquisition, logistics and disposal management.

Sundays River Valley municipality has a centralised system of supply chain. The municipality is yet to fill the position of Supply Chain Management head amidst the recent resignation of the previous staff member. The office has now only one official, demand officer. The three vacancies within this unit have been included in the organogram and are identified as critical post which will be filled soonest.

Only one bid committee is functional, being Specification Committee. The Evaluation Committee and Adjudication Committee are not functional due to the current structure of the office, which hampers on service delivery as any awards made will be considered irregular in nature.

The supply chain management policy has been reviewed. The current SCM Policy incorporates the recent amendment of the B-BBEE Regulations which came into effect on the 1st of April 2017 to address the issue of set asides and radical economic transformation. This includes subcontracting of the portion of the project scope to local emerging entities owned by persons from the historically disadvantaged groups.

The turnaround time for procurement is 30 days.

Quotations for transactions below R 30,000 are solicited from entities listed on the Treasury's Central Supplier Database (CSD) according to their areas of specialization/commodities and business location. All procurement requests exceeding R30 000 up to R200, 000 are advertised on the municipal website and notice boards for at least seven (7) days. Transactions above R200 000 are processed in terms of the competitive bidding process.

The Annual Procurement Plan is in place for 2018/19 financial year. This tool plays a vital role in the competitive bidding process by ensuring the timeous finalization of the procurement processes including appointment of bidders within the anticipated timelines. This ensures a proactive approach towards the

timeous implementation of projects thereby ensuring the achievement of the service delivery targets. All role-players need to comply with the set procurement timeframes and avoid unnecessary delays in the procurement processes. The annual procurement plan includes capital and recurrent operational projects across the Municipality which in terms of their transactional value, are expected to exceed a minimum threshold for going out to tender and those that are often demanded under urgent or emergency cases. To curb the issue of unjustifiable deviations from the normal processes, irregular, fruitless and wasteful expenditure, the Municipality wants to establish panels of service providers. This will assist in ensuring that the SCM Unit eliminates all issues of non-compliance with the SCM Policy and mitigate/eliminate audit findings in the AG report.

The following are some of the challenges faced by the SCM Unit:

- Non-compliance with the procurement plan and timeframes by the various role players involved in the competitive bidding processes;
- Late finalization of bids;
- Non-adherence to inventory management procedures due to staff capacity and competence levels.

For capital projects from Technical Services, the involvement of Consultants will have to be eliminated in the future and the technical assessment of bids be done in-house. The Municipality has implemented the SCM Policy on Infrastructure Procurement. All capital projects are subject to the subcontracting requirements as contained in the SCM Policy.

### **2.7.12. Revenue management**

The municipality bills its customers on a monthly basis as per norms and standards of revenue management. The municipality billing systems has undergone data cleansing and this has been finalised. This affected the collection rate as billing was performed later in the year but revealed detailed findings which were attended to proactively. Corrections on the billing system that will be guided by the changes on the valuation rolls and also the data cleansing that was done and has already commenced for 2016/17 financial year.

#### **Financial liquidity**

Table below reflects percentage of budgeted income realized in the past two year and turnover ratios for the municipality:

REVENUE	2015/16 ACTUAL	2015/16 BUDGET	% REALISED	2014/15 ACTUAL	2014/15 BUDGET	% REALISED
PROPERTY RATES	39 262	35 836	198%	28 830	14 623	134%
SERVICE CHARGES	39 417	20 994	130%	58 856	42 514	163%
INTEREST: DEBTORS	1 382	3 722	151%	11 005	6 977	328%
LICENSES & PERMITS	1 889	1 628	106%	1 359	1 283	164%
FINES	2 869	4 038	611%	3 146	601	76%
AGENCY FEES	2 083	1 728	113%	1 567	1 343	88%
GOVERNMENT GRANTS	95 037	87 310	101%	79 924	53 137	94%
OTHER INCOME	4 649	6 858	294%	26 056	5 274	6%

Liquidity	2015/16	2014/15
Current ratio	1.05	0.82
Turnover	2015/16	2014/15
Creditors turn over period	70 days%	96 days
Debtors collection Period	165 days	97 days

The municipality's current assets do not exceed the current liabilities. The acceptable ratios should be current ratio 2:1. This indicates that financial challenges and probable liquidity problems as the municipality has insufficient cash to meet its short term obligation.

As seen in the above ratios, the municipality is exposed to significant cash flow risk due to challenges in collection of outstanding amounts due to it and inversely affecting ability to meet its long and short term obligations.

### **2.7.13 Internal Controls**

There are internal mechanisms in place within the municipality. A delegation register exists to ensure segregation of duties and isolation of responsibilities. These are some internal controls within the municipality but not limited to the following:

- Access controls- ICT
- Policies and Procedure Manuals in place
- Oversight through Audit Committee and MPAC
- Monthly reporting to relevant stakeholders

### **Risk Assessment**

Risk management is a continuous process and the assessment is done once a year by the municipality. A risk assessment workshop was undertaken for the municipality under the facilitation of Internal Audit department. In this session risk identification was performed as these directly or indirectly jeopardise the ability of the municipality to achieve its goals.

The main aim of this exercise was to help the municipality priorities its risks given constraints in resource capacity to deal with all risks. Risk treatment strategies were developed and monitoring of this regime is of pivotal performance to provide ongoing assurance of their effectiveness.

### **Financial Filing and Audit File**

There are filing systems in place as required by the Archives Act. Financial filing is facilitated by Pastel where all records are kept accordingly. Audit file for 2015/16 were prepared electronic and hard copy (files). These were submitted to Auditor General. The audit files are prepared in lines with Circular 50 of National Treasury. The municipality is currently implementing its EDMS system

### **Audit Opinion**

During the past three years the municipality received the following audit opinions from the Auditor General office:

- 2014/15-Disclaimer Audit Opinion
- 2015/16 – Adverse Opinion
- 2016/17- Qualified Opinion

Bases for Qualified opinion were as follows but not limited to the below stated:

- Sufficient and appropriate evidence was not provided in relation to Assets etc
- Material misstatements and misallocations
- Aggregation of Prior year errors

Below are recurring audit findings:

- Vat treatment
- Irregular expenditure
- Invoices not paid within prescribed timeframe
- Disagreements
- Information not submitted
- Monthly budget statements do not include budgeted amounts
- No clearance of GL accountants
- Incomplete payroll files
- Contingent liability schedule incomplete
- Reconciliations not performed

An audit action plan has been developed to address audit findings raised by the Auditor General. Progress to date includes but not limited to the following:

- Procedure manuals being developed
- All Reconciliations being performed
- Allocations of receipts and expenditure are done on time
- Investigations performed for instances of UIFW
- System has been modified to attend supplier listing query
- All specifications are now approved
- PPPA system for evaluation and adjudication is now used
- All declaration forms signed accordingly
- Asset tracking systems purchased and utilized

### **2.7.13 Valuation Roll**

The current valuation roll was implemented with effect from the 1 July 2014. The valuation roll is effective until the June 2019. The total valuation upon which assessment rates are levied is R6.6 billion.

The interim valuation has been performed in 2015/16 financial year and changes have been updated on the system to ensure linkage of the two documents.

### **2.7.14 Grant Allocations**

The following table shows details in relation to operating grants to be received from other spheres:

### EC106 Sundays River Valley - Transfers and grant receipts

Description R thousand	2017/18 Medium Term Revenue &		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>RECEIPTS:</b>			
<b><u>Operating Transfers and Grants</u></b>			
<b>National Government:</b>	<b>92,117</b>	<b>94,788</b>	<b>106,210</b>
Local Government Equitable Share	71,971	79,108	86,898
EPWP Incentive	1,000		
Integrated National Electrification Programme	16,731	12,800	16,000
Finance Management	2,415	2,880	3,312
<b>District Municipality:</b>	<b>1,434</b>	<b>1,578</b>	<b>1,736</b>
Environmental Health	1,434	1,578	1,736
Fire			
<b>Provincial Government</b>	<b>1,200</b>	<b>1,341</b>	<b>1,415</b>
LIBRARY	1,200	1,341	1,415
<b>Total Operating Transfers and Grants</b>	<b>94,751</b>	<b>97,707</b>	<b>109,361</b>
<b><u>Capital Transfers and Grants</u></b>			
<b>National Government:</b>	<b>25,162</b>	<b>25,612</b>	<b>26,856</b>
Municipal Infrastructure Grant (MIG)	25,162	25,612	26,856
<b>Provincial Government</b>	<b>37,320</b>	<b>17,808</b>	<b>7,265</b>
Small Town Revitalization	37,320	17,808	7,265
<b>Total Capital Transfers and Grants</b>	<b>62,482</b>	<b>43,420</b>	<b>34,121</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>157,233</b>	<b>141,127</b>	<b>143,482</b>

EC106 Sundays River Valley - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Financial Performance</b>											
Property rates	-	-	-	35,771	46,486	46,486	46,486	48,950	51,593	54,431	
Service charges	-	-	-	33,901	48,664	48,664	48,664	45,196	47,872	50,848	
Investment revenue	-	-	-	1,653	1,750	1,750	1,750	1,843	1,942	2,049	
Transfers recognised - operational	-	-	-	71,843	71,984	71,984	71,984	94,751	97,707	109,361	
Other own revenue	-	-	-	20,248	15,165	15,165	15,165	17,727	18,700	19,738	
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	163,416	184,049	184,049	184,049	208,467	217,813	236,427	
Employee costs	-	-	-	54,367	58,968	58,968	58,968	72,661	77,674	82,917	
Remuneration of councillors	-	-	-	5,875	6,891	6,891	6,891	7,173	7,668	8,186	
Depreciation & asset impairment	-	-	-	26,686	26,686	26,686	26,686	37,803	37,803	37,803	
Finance charges	-	-	-	3,859	3,243	3,243	3,243	3,385	3,571	3,768	
Materials and bulk purchases	-	-	-	20,999	26,999	26,999	26,999	30,212	32,670	35,334	
Transfers and grants	-	-	-	-	-	-	-	-	-	-	
Other expenditure	-	-	-	76,195	74,099	74,099	74,099	87,766	90,206	94,538	
<b>Total Expenditure</b>	-	-	-	187,981	196,887	196,887	196,887	239,002	249,592	262,546	
<b>Surplus/(Deficit)</b>	-	-	-	(24,565)	(12,838)	(12,838)	(12,838)	(30,535)	(31,779)	(26,120)	
Transfers and subsidies - capital (monetary alloc	-	-	-	69,406	69,500	69,500	69,500	62,482	43,420	34,121	
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	44,841	56,662	56,662	56,662	31,947	11,641	8,001	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	-	-	-	44,841	56,662	56,662	56,662	31,947	11,641	8,001	
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	-	-	-	78,155	76,917	76,917	76,917	107,087	54,939	33,778	
Transfers recognised - capital	-	-	-	70,939	68,126	68,126	68,126	77,955	54,939	48,778	
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	
Borrowing	-	-	-	-	-	-	-	14,297	-	-	
Internally generated funds	-	-	-	7,216	8,791	8,791	8,791	14,835	-	-	
<b>Total sources of capital funds</b>	-	-	-	78,155	76,917	76,917	76,917	107,087	54,939	48,778	
<b>Financial position</b>											
Total current assets	-	-	-	76,475	76,355	76,355	76,355	83,378	78,378	76,209	
Total non current assets	-	-	-	584,490	624,777	624,777	624,777	665,403	683,148	694,573	
Total current liabilities	-	-	-	30,055	30,267	30,267	30,267	30,270	23,402	20,080	
Total non current liabilities	-	-	-	16,508	18,386	18,386	18,386	32,401	29,828	26,926	
Community wealth/Equity	-	-	-	614,402	652,480	652,480	652,480	686,110	708,295	723,776	
<b>Cash flows</b>											
Net cash from (used) operating	-	-	-	79,488	73,663	73,663	73,663	111,563	58,891	53,486	
Net cash from (used) investing	-	-	-	(78,155)	(71,082)	(71,082)	(71,082)	(107,087)	(54,939)	(48,778)	
Net cash from (used) financing	-	-	-	(397)	(1,786)	(1,786)	(1,786)	(4,596)	(4,596)	(4,596)	
<b>Cash/cash equivalents at the year end</b>	-	-	-	2,162	2,022	2,022	2,022	1,890	1,246	1,358	
<b>Cash backlog/surplus reconciliation</b>											
Cash and investments available	-	-	-	23,412	23,272	23,272	23,272	21,273	22,664	25,025	
Application of cash and investments	-	-	-	(7,181)	(80,286)	(80,286)	(80,286)	(45,485)	(28,896)	(26,936)	
<b>Balance - surplus (shortfall)</b>	-	-	-	30,593	103,558	103,558	103,558	66,758	51,560	51,961	
<b>Asset management</b>											
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	9,318	9,318	9,318	
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	
<b>Free services</b>											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	25,774	25,774	28,329	
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	
<b>Households below minimum service level</b>	-	-	-	0	0	0	0	4	4	4	
Water:	-	-	-	1	1	1	1	3	3	3	
Sanitation/sewerage:	-	-	-	3	3	3	3	4	4	4	
Energy:	-	-	-	6	6	6	6	6	6	6	
Refuse:	-	-	-	-	-	-	-	-	-	-	



# **CHAPTER3:**

# **STRATEGIC**

# **PERSPECTIVE**

## CHAPTER III

---

### **3 SUNDAYS RIVER VALLEY MUNICIPALITY STRATEGIC FRAMEWORK**

Our vision, mission and values are underpinned by Council vision to see Sundays River Valley Municipality providing first class service delivery by year 2022/23.

#### 3.1 OUR VISION

**A people centred Municipality providing efficient and effective services to communities.**

#### 3.2 OUR MISSION

**To deliver effective, efficient services in an accountable and transparent manner and to create an inclusive, safe, sustainable socio-economic environment for improved quality of life.**

#### 3.3 OUR VALUES

Accountability
Transparency
Integrity and honesty
Community oriented

#### **3.4 STRATEGIC DIRECTIONS**

The Sundays River Valley Municipality is a category B municipality with a Collective Executive System made up of a ward participatory system established in terms of the Local Government: Municipal Structures Act 117. It is one of the nine local municipalities under Cacadu District Municipality. The municipality takes its legislative mandate from the provisions of Section 152 of the South African Constitution which is as follows:

- To give priority to the basic needs of the local community.
- To promote the development of the local community.

- To ensure that all members of the local community have access to at least a minimum level of basic municipal services (this takes precedence over others).
- To ensure sustainability of services, municipality and settlements.

To give effect to the above mandate, the municipality has approved the following priority areas:

- **Provision of Infrastructure and Basic Services.**
- **Local Economic Development.**
- **Community and Social Services.**
- **Institutional Transformation and Organizational Development.**
- **Good Governance and Public Participation.**
- **Financial Viability and Management.**

### **3.5 THE NATIONAL DEVELOPMENT PLAN – VISION 2030 AND BEYOND**

In 2011 the National Planning Commission (NPC) conducted a diagnosis of the challenges facing South Africa. This process culminated to the NPC producing a Diagnostic Report which report highlighted critical challenges facing the people of this country from joblessness, poor education, disease burden health, corruption etc. The situation that the country finds itself has had an effect of leaving the majority of the population trapped in a vicious circle of poverty and a growing gap of the haves and those that have not. See the figure 1 below. To arrest this situation the NPC has developed a 20 year National Development Plan (NDP).

The plan asks for a major change in how we go about our lives. In the past, we expected government to do things for us. What South Africa needs is for all of us to be active citizens and to work together – government, business, communities – so that people have what they need to live the lives they would like. South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources – and now, a plan. This is how the plan proposes we achieve the goal of fighting poverty and reducing inequality:

#### **CREATE JOBS**

- Create 11 million more jobs by 2030:  Expand the public works programme
- Lower the cost of doing business and costs for households
- Help match unemployed workers to jobs
- Make it possible for very skilled immigrants to work in South Africa
- Reward the setting up of new businesses, including partnering with companies
- Increase value for money for tourists by selling regional packages that meet all pocket sizes.  
Consider a single visa for SADC visitors

### **EXPAND INFRASTRUCTURE**

- Invest in a new heavy-haul rail corridor to the Waterberg coal field and upgrade the central basin coal network
- Enable exploratory drilling to see whether there are viable coal seam and shale gas reserves, while investigations continue to make sure that operations do not damage the environment
- Move Eskom's system operator, planning, power procurement, power purchasing and power contracting functions to the independent system and market operator
- Closely regulate the electricity maintenance plans of large cities
- Set up an investment programme for water resource development, bulk water supply and wastewater management this year, with reviews every five years
- Fix and build transport links, in these key areas:

### **TRANSITION TO A LOW-CARBON ECONOMY**

- Speed up and expand renewable energy and waste recycling, and ensure buildings meet energy-efficient standards
- Set a target of 5 million solar water heaters by 2030
- Introduce a carbon tax
- Scale up investments and R&D for new technologies

### **TRANSFORM URBAN AND RURAL SPACES**

- Stop building houses on poorly located land and shift more resources to upgrading informal settlements, provided that they are in areas close to jobs
- Improve public transport
- Give businesses incentives to move jobs to townships
- Fix the gap in the housing market by combining what banks have to offer with subsidies as well as employer housing schemes
- Give communal farmers, especially women, security of tenure

### **EDUCATION AND TRAINING**

- Develop a nutrition programme for pregnant women and young children, to be piloted by the Department of Health for two years

- Make sure all children have two years of pre-school
- Get rid of union and political interference in appointments and appoint only qualified people

### **3.6 LOCAL GOVERNMENT TURN AROUND STRATEGY (LGTAS)**

Due to the challenges facing local government in the country the Minister of Cooperative Government and Traditional Affairs has developed a LGTAS to try and arrest this situation. The Strategy was developed after an extensive consultation process throughout the country which culminated in a State of Municipalities Report 2009.

The LGTS provides that an ideal municipality would among other things:

- i. Provide democratic and accountable government for local communities
- ii. Be responsive to the needs of the local community
- iii. Ensure the provision of services to communities in a sustainable manner
- iv. Promote social and economic development
- v. Promote a safe and healthy environment
- vi. Encourage the involvement of communities and community organizations in matters of local government
- vii. Facilitate a culture of public service and accountability amongst its staff
- viii. Assign clear responsibilities for the management and coordination of those administrative units and mechanisms.

The outcomes of meeting these objectives include:

- a) The provision of household infrastructure and services
- b) The creation of liveable, integrated and inclusive cities, towns and rural areas
- c) Local economic development
- d) Community empowerment and distribution

### **3.7 The Sundays River Municipal Management Charter**

Municipal management charter according to the SDBIP addresses the following priority areas to ensure financial viability and sustainability of the Sundays River Valley Municipality:

- Implementation of a credible budget.
- Effective budget monitoring.
- Maintain and implement an effective credit control policy.
- Increase revenue collection with at least 20% to 70%.
- Review Supply Chain management policy and ensure regular reporting on Supply Chain matters.
- Effective monitoring of creditors.
- Effective and up to date billing system.
- Provision of clean, adequate drinking water to all.
- Unqualified audit opinion.
- Develop a credible IDP.
- Fixing of roads in the municipal area.
- Good governance.
- Improved liquidity of the institution and reduction of the debt book (restore the financial viability).

### **3.8 mSCOA – Municipal Standard Chart of Accounts**

The Municipal Regulations on Standard Chart of Accounts were promulgated on 22 April 2014. The regulations determine that all municipalities must adopt a standard chart of accounts with effect from 1 July 2017. It is necessary for the Minister of Finance to specify national norms and standards for the recording and collection of local government budget, financial and non-financial information which will include in some instances the specification of information required for national policy coordination and reporting. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions. A key objective of the proposed Regulations is to enable the alignment of budget information with information captured in the course of the implementation of the budget.

These Regulations apply to all municipalities and municipal entities and indicate its applicability and relevance to each specific municipal environment while accommodating organisational uniqueness and structural differences. These Regulations also proposes the specification of minimum business process requirements for municipalities and municipal entities as well as the implementation of processes within an integrated transaction processing environment. Sundays River Valley municipality has started with implementation of the regulations to the following extent:

- 1) Establishment of a Project Steering Committee and a Project Implementation team
- 2) Developing terms of reference for the Project Steering Committee and Project Implementation team
- 3) Conducting a municipal self-assessment
- 4) Conducting an IT-infrastructure assessment
- 5) Draft mSCOA risk register is currently being developed
- 6) Review of vote structure is currently in progress

The implementation of the regulations is imposing additional financial burdens onto the municipality which could be regarded as a risk for non-compliance. Some of the financial burdens is partly relieved by grant funding that has been earmarked for the implementation.

The municipality is committed to ensure full compliance by 1 July 2017

### **3.9 Community Priorities**

Sundays River Valley Municipality engaged in community consultations that were done at a ward level in line with the community based planning approach. The municipality employed the community based planning approach to stimulate participatory governance by awarding community members a fair opportunity to deliberate on issues affecting them in their respective wards. Furthermore, this approach was implemented to inevitably include the local community in decision-making, planning and generally allowing them to play an active part in their own development.

#### **WARD PRIORITIES AND DESIRED OUTCOMES**

##### **Ward 1: Cllr Payi**

Ward	PRIORITIES
1	<ul style="list-style-type: none"><li>• Land for new human settlement development</li><li>• Provision of adequate, clean drinking water</li><li>• Build one or two more reservoir for the area</li><li>• Old Water systems that links water must be phase out</li><li>• Installation of 1 High masts lights in Qolweni Extension.</li><li>• Street lights in the entrance road to be functional</li><li>• Tarring and paving of internal roads each financial year</li><li>• Speed humps around the Ring road and near the Clinic and Schools</li><li>• Maintenance of storm-water and High Mast lights</li><li>• Dry-blading of gravel roads in Moses Mabida</li><li>• Kuyasa Hall to be refurbished as a Multipurpose Sport Centre</li><li>• Building of a youth center and FET college</li><li>• Removal of illegal dump sites in the ward</li><li>• Housing audit to verify rightful owners and Give Title Deeds</li><li>• Renaming of municipal properties (stadiums, hall, taxi rank)</li><li>• Formalizing of informal settlements</li><li>• Street naming</li><li>• Skills development for the youth</li><li>• Internship be localize</li><li>• Town beautification and Playing park for children</li><li>• Renovation of the Moses Mabida taxi rank</li><li>• Provision of free Wi-Fi</li><li>• Renovation and fencing of Mzamomhle Hall</li><li>• Rectification of Old RDP Houses and Pre 1994 Houses</li><li>• Fencing of the water reservoir and old cemeteries</li><li>• Burial Registration to be developed</li><li>• Closure of the small water canal in zone 4 and Platini Area</li><li>• Provision of refuse bins and Solar Gezer</li><li>• Timeous refuse removal and provision of refuse bags</li><li>• Maintenance of cemeteries and identification of a site for new cemeteries</li><li>• Proper monitoring to projects and PSC</li><li>• Registration of indigents for free basic services (Electricity)</li><li>• Old School infrastructure deplorable, there is a need for new infrastructure</li><li>• Erection of high-mast lights in the Lolo Village.</li><li>• Electricity connection and regular refuse removal for the people of Lolo Village.</li><li>• Illegal dumping site in Lolo Village to be removed.</li><li>• Construction of Sanitation Infrastructure in Qolweni Extension and to connect all RDP houses that are not connected to the existing infrastructure</li></ul>

	<ul style="list-style-type: none"> <li>• The DHS with SRVM to conduct a housing audit and to provide title deeds to home owners.</li> <li>• Installation of water meters</li> </ul>
--	---

**Ward 2: Cllr Tom,**

WARD	WARD PRIORITIES
2	<ol style="list-style-type: none"> <li>1. State of houses in the area is deplorable. Some of these old houses still have asbestos.</li> <li>2. Provision of title deeds.</li> <li>3. Provision of solar panels for lighting.</li> <li>4. Maintenance of cemeteries.</li> <li>5. Fencing of the community hall in Bergsig.</li> <li>6. The empty school in Bergsig is vandalized and it can be put into good use for the community.</li> <li>7. Provision of constant safe drinking water</li> <li>8. High mast lights for Bergsig and Aqua Park.</li> <li>9. There are electrical boxes that are open and exposed.</li> <li>10. Mobile clinic for Msengeni and Aqua Park.</li> <li>11. Caretakers for the sport-field.</li> <li>12. Fencing of water canal as it has had dangerous consequences especially the children of Aqua Park and Bergsig.</li> <li>13. A sport center for the youth.</li> <li>14. Solution to illegal electricity connections especially around Aqua Park and Bergsig</li> </ol>

**Ward 3: Cllr Dancey A**

WARD	WARD PRIORITIES	Zuney Area
3	<ol style="list-style-type: none"> <li>1. Land for development and human settlement for the people of the area.</li> <li>2. KK113 land to be used for the development of the area.</li> <li>3. A school for the children.</li> <li>4. The scholar transport arrangement is unregulated and unsafe.</li> <li>5. Provision of safe and constant drink water.</li> <li>6. Fixing of non-functional high-mast lights.</li> <li>7. Sewerage spills are constant in Walase Street.</li> <li>8. Tarring of roads: Walase and Jacaranda.</li> <li>9. Identification of land for the local crèche.</li> <li>10. Public toilets in Voor straat.</li> <li>11. Installation of storm-water pipes as the areas is constantly flooded after heavy rains.</li> <li>12. Installation of high-mast lights</li> <li>13. Provision of temporary sanitation structures in informal settlements.</li> <li>14. Assistance of SMMEs with skills development and information of opportunities for work.</li> <li>15. Appropriate land for the local crèche</li> </ol>	<ul style="list-style-type: none"> <li>• Electrification of Rosedale</li> <li>• Land for farming and human settlement in Grotvlei</li> <li>• Provision of resources to the satellite office</li> <li>• Caretaker of the hall</li> <li>• SMME development initiatives</li> <li>• Youth development initiatives</li> <li>• Sportfield (use of the land in Langbos)</li> <li>• Illegal evictions and killing of livestock</li> <li>• Mobile clinic with complete resources every two (2) weeks</li> </ul>

**Ward 4: Cllr Baka**

WARD	WARD PRIORITIES
<b>4</b>	<ul style="list-style-type: none"> <li>- Training and skills development for unemployed youth.</li> <li>- The Municipality needs to partner with a sector department to stop the illegal sand mining in the area.</li> <li>-Grading of internal gravel roads.</li> <li>-The community desperately needs a library closer to it. The children had to cross the N10 to reach the one that was there.</li> <li>-The community needs land for farming, and human settlement.</li> <li>-Fencing for the cemetery.</li> <li>-Police vans are insufficient to deal with the area.</li> <li>-Decentralization of municipal functions to well-equipped satellite office in Paterson.</li> <li>-There is still land that is a remainder of the Paterson 450 housing project. This can be used for the development of the area.</li> <li>-Sewerage is entering the local dam.</li> <li>-Eskom tariffs are abused by local shops as they increase the price to make a profit.</li> <li>-Repairing of the toilets in the community hall.</li> <li>-Sports and recreation for both the old and young.</li> <li>Internships for the young.</li> <li>-Awareness and advocacy programmes dealing with drug and alcohol abuse in the area.</li> <li>-Wi-fi for the library and the broader community.</li> <li>-Rectification of old houses (roofs mainly).</li> <li>-Provision of title deeds to home owners.</li> <li>-Formalization of informal settlements.</li> <li>-Electrification of informal settlement near the Stadium.</li> <li>-Proper monitoring of capital projects in the area.</li> <li>-Connection to the electricity grid. Also, there needs to be a long and short term plan to deal with the informal areas without any connection to the electricity.</li> <li>-Connection of the new high-mast lights in Emanqindini.</li> </ul>

	<p>-Removal of the bushy area in EManqindini</p> <p>-Eradication of the bucket system</p>
--	---

#### **Ward 5: Cllr Nodonti SC**

Ward	Ward priorities
<b>5</b>	<ol style="list-style-type: none"> <li>1. Provision of constant good drinking water for the community.</li> <li>2. Speed humps on the main road.</li> <li>3. District Municipality to move to Addo and this may be the catalyst needed to have other sector departments (Social Development, Human Settlements, and the Department of Health etc) to also move to the area.</li> <li>4. To decentralize emergency services as they are now based in Kirkwood (Fire and ambulances especially).</li> <li>5. Removal of illegal dumping sites</li> <li>6. Provision of refuse bags and mobile refuse bins.</li> <li>7. Land for farming (there is land available behind Samkelwe School)</li> <li>8. Land for a cemetery as the current cemetery used is far, there is land available for this (Vyeer).</li> <li>9. Addo development area for middle income houses (Opposite the police station)</li> <li>10. Library to be built near the people as there is land available (the land that was used as a car wash site in the Main rd after the Hall).</li> <li>11. A sport-field for the youth.</li> <li>12. Local shop owners add on the electricity tariff (electricity for R10 costs R15).</li> <li>13. No access to internet in the area and the young people of Addo cannot apply online and have access to information.</li> <li>14. Grading of internal gravel roads.</li> <li>15. Street naming to be prioritized.</li> <li>16. The citrus fields are near the communities and as a result the substances sprayed on the fields has an adverse effect on the people.</li> <li>17. Illegal occupation in the Addo 300 project.</li> <li>18. Provision of refuse bins and Jojo tanks.</li> </ol>

**Ward 6: Cllr Rune, SH**

WARD	WARD PRIORITIES
<b>6</b>	<ol style="list-style-type: none"> <li>1. Provision of constant good quality drinking water.</li> <li>2. Municipal function to be decentralized to a well-equipped satellite office (Addo rent office).</li> <li>3. Development of the Molly Blackburn area.</li> <li>4. Proper and effective management and monitoring of the complaints management section of the Municipality in Nomathamsanqa.</li> <li>5. Skills training and youth development programmes.</li> <li>6. Office space and equipment for the office of the councilor.</li> <li>7. District Municipality to transfer its land to the Local Municipality for development of Addo.</li> <li>8. Grading of internal gravel roads. Also, the paving of roads such as Duduza and Slovo.</li> <li>9. Speed humps in the main road.</li> <li>10. Municipality to look into sewerage spills from the canal to the water reservoir.</li> <li>11. Removal of the illegal dumping site (Slovo)</li> <li>12. Block paving of the taxi route</li> <li>13. Town revitalization. This entails the general development of the Addo town and neighboring areas. The people of Molly to be moved closer to town so as to capitalize/benefit from such revitalization.</li> <li>14. Municipal land used for development of the area (to be used for residential and business sites)</li> </ol>

**Ward 7: Cllr Ndawo**

WARD	WARD PRIORITIES
7	<ol style="list-style-type: none"> <li>1. Sanitation spills are near peoples' homes and consequently near the old and young. Glenconor</li> <li>2. People of Glenconor want connection to electricity; this is an informal settlement.</li> <li>3. The Primary School in the area is without teachers.</li> <li>4. Land for farming.</li> <li>5. There is no community hall, people hold meetings outside.</li> <li>6. Grading of gravel roads in the area of Glenconor.</li> <li>7. A sport-field for the young.</li> <li>8. Ambulance take a very long time to respond.</li> <li>9. The people need a shelter for public transport. There is no taxi rank in the area, the people depend of hikes from cars passing by.</li> <li>10. There are only two communal toilets and these need to be regularly maintained as there are constant spills to homes nearby.</li> <li>11. Electricity tariffs/rates are abused by local shops who add on to the tariffs rate (electricity for R10 will cost you R15).</li> <li>12. There is no reliable scholar transport system for learners who attend High School in Kirkwood.</li> <li>13. There is a strong need for land for human settlement.</li> <li>14. Fencing for the local cemetery.</li> <li>15. The mobile clinic is not consistent in its visit and rarely brings a doctor for the more complex cases and the hospital is far away.</li> <li>16. Fixing of potholes</li> <li>17. Maintenance of provincial roads</li> <li>18. Grading of provincial roads</li> <li>19. Transfer of houses belonging to Transnet</li> </ol>

**Ward 8: Cllr Kausele N**

WARD	WARD PRIORITIES
<b>8</b>	<ol style="list-style-type: none"> <li>1. Eradication of the bucket system in Greenfields (Enon).</li> <li>2. Provision of constant good quality water in Greenfields</li> <li>3. Construction of a playground in Bershaba</li> <li>4. Speeding up of the transfer of the communal land (Witrivier)</li> <li>5. Grading of internal gravel roads</li> <li>6. Refuse is being dumped in the dam by the service provider</li> <li>7. Maintenance of the cemetery in Summerville as well as the removal of the illegal dumping site</li> <li>8. Sports and recreation programmes</li> <li>9. Caretakers for the halls (both Enon and Bersheba)</li> <li>10. Regular maintenance of the Bersheba cemetery</li> <li>11. Sewerage spilling into houses near the Treatment plant especially on weekends when it is not manned</li> <li>12. Upgrading of the road to Kirkwood town</li> <li>13. Provision of constant good quality water in the houses of the Enon/Bersheba 450 project</li> <li>14. Turn-around time for the responses of the ambulance is horrible: more than 4 hours.</li> <li>15. Mobile clinic is inconsistent and at times without medication</li> <li>16. Fixing of non-functional high-mast lights</li> <li>17. Mhlophekazi Primary school without teachers</li> <li>18. Grading of gravel roads in Enon</li> <li>19. Upgrading of the water reservoir</li> <li>20. Proper sanitation infrastructure in Enon</li> <li>21. Upgrading of the road (taxi route)</li> <li>22. Upgrading of the Bersheba entrance road</li> <li>23. Graveyard (Enon)</li> <li>24. Installation of water meters</li> <li>25. Proper functioning street lights in Enon</li> </ol>

**3.10 Alignment of National plans and Provincial plans with those of SRVM.**

<b>National Development Plan</b>	<b>Government Outcome</b>	<b>Provincial Growth and Development Strategy – EC.</b>
Economic growth	<p><b>Outcome 4:</b> Decent employment through inclusive economic growth</p> <p><b>Outcome 11:</b> Output 3: Implementing the Community Work Programme;</p>	Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to Pro-poor programming.
Rural development	<p><b>Outcome 7:</b> Vibrant, equitable, sustainable rural communities contributing towards food security for all</p>	Agrarian transformation and strengthening of household food security.
Economic growth	<p><b>Outcome 4:</b> Decent employment through inclusive economic growth</p>	Consolidation, development and diversification of the manufacturing base and tourism potential.
Expand infrastructure	<p><b>Outcome 11:</b> Output2: Improving access to basic services;</p>	Infrastructure development

<b>National Development Plan</b>	<b>Government Outcome</b>	<b>Provincial Growth and Development Strategy – EC.</b>
Building a capable state	<b>Outcome 5:</b> Skilled capable workforce to support an inclusive growth path	Public sector and institutional transformation.

# **CHAPTER 4: PROJECTS (INTERNAL AND EXTERNALLY FUNDED)**

## CHAPTER IV

### PROJECTS

---

#### 4.1 PROJECTS FROM SECTOR DEPARTMENTS

##### OFFICE OF THE PREMIER

###### SMALL TOWN REVITALIZATION PROGRAMMES

The following works have been identified to cover the three year MTEF capital plan

PROJECT TITLE	START DATE	COMPLETION DATE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20
Planning budget	01 January 2017	31 May 2017	R2 000 000	-	-
1.Upgrading of Kirkwood Town internal roads & storm-water – phase 1	01 May 2017	31 March 2018	R29 940 000	-	-
2.Upgrading of AquaPark township internal roads and storm-water- phase 1	01 May 2017	31 March 2018	R9 928 000	-	-
3.Upgrading of Bergsig township internal roads and storm-water – phase 1	01 May 2017	31 March 2018	R10 132 000		
4.Upgrading of Kirkwood town internal roads and storm-water – phase 2	01 October 2018	30 September 2019		R15 340 000	R18 095 000
5.Upgrading of Moses Mabida township internal	01 October 2018	31 August 2019		R15 477 000	R11 110 000

PROJECT TITLE	START DATE	COMPLETION DATE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20
roads and storm-water – phase 1					
6.Upgradin of Bergsig township internal roads and storm-water – phase 2	01 April 2018	15 December 2018		R8 855 000	
7.Upgradin of Enon Sewer pump station and outfall	01 April 2018	31 August 018		R2 600 000	
8.Upgradin of Aqua Park township internal roads and storm-water – phase 2	01 October 2018	31 July 2019		R7 728 000	R7 892 000
9. Rehabilitation of asbestos pipes in Kirkwood – phase	01 April 2019	31 October 2019			R12 903 000

#### 4.1.2 DH

Project	Types of infrastructure	Source of funding	Project status	Nature of investment	Start date	End date	Total project cost	2018/19	2019/20	2020/21
Sundays River Valley CHC	Community Health Facilities	Equitable share	Gate 3 Feasibility strategic brief	Rehabilitation and refurbishment	01/08/2018	31/03/2020	6 000 00	2 000 000	3 300 000	
USAID TB SA project	PHC facilities/hospitals/ NGOs	USAID	On-going		09 May 2017					

#### 4.1.3 DHS

Project	Types of infrastructure	Source of funding	Project status	Nature of investment	Start date	End date	Total project cost	2018/19	2019/20	2020/21
	Top structure	Housing development grant	Construction	Infrastructure transfers – capital	08 Aug 2016	30 June 2021	35 882 000	-	-	11 600 000
	Top structure	Housing development grant	Construction	Infrastructure transfers – capital			9 886 000	3 075 000	4 000 000	10 189 000
Title deed registration		Title deeds registration grant	Construction	Infrastructure transfers – capital	01 Dec 2002	31 Mar 2021	31 891 000	2 038 000	2 152 000	2 271 000

#### 4.1.4 Department of Education

Project	Types of infrastructure	Source of funding	Project status	Nature of investment	Start date	End date	Total project cost	2018/19	2019/20	2020/21
Addo primary school	Upgrades and additions	EIG	Stage 6: design and documentation		01 Nov 2017	22/23	‘72 468	-	10 164	14 494

#### 4.1.5 Department of Transport

Project	Types of infrastructure	Source of funding	Project status	Nature of investment	Start date	End date	Total project cost	2018/19	2019/20	2020/21
Zuurberg-R335 SLA	Tarred roads/surfaced roads	Equitable share	Construction	Upgrades and additions	05 June 2016	30 March 2019	43 027	27 000		

#### 4.1.6 Department of Sports Recreation and Culture

Project	Types of infrastructure	Source of funding	Project status	Nature of investment	Start date	End date	Total project cost	2018/19	2019/20	2020/21
Paternoster library	Library	Conditional grant	Assessment	Rehabilitation and refurbishment	30 March 2016	30 March 2023	5 500	193		

#### **RECREATION AND DEVELOPMENT**

Project Name	Venue	Date	Budget
Indigenous Games	Addo	26 May	R 0
Hub Festival	Addo	16 June	R5 000
Outdoor Activities	Addo	15-17 June	R15 000
Recreation Council Meeting	Addo	15-16 June	R17 000
Health and Fitness Activities	Addo	August	R15 000

Recreation Festival	Addo/Kirkwood	August	R30 000
Indigenous Games Training	Basherba and Addo	25 May and August	R7 000
Come and Play	Basherba	January 2019	R2 000
Hub Festival	Paterson	September 2018	R5 000
<b>Total</b>			<b>R96, 000</b>

#### **SCHOOL SPORT DEVELOPMENT**

<b>Project Name</b>	<b>Venue</b>	<b>Date</b>	<b>Budget</b>
Sunday River Valley Schools Football League u/13	SRV	June-August	R10 000
Sunday River Valley Schools Cross Country League	SRV	April-August	R3 000
Sunday River Valley School Sport Festival	Kirkwood	16 June 2018	R5 000
 Provision of sport equipment			
1. Bongolethu Primary School	Kirkwood	July-September	R4 000
2. Bontrug Primary School	Kirkwood	July-September	R4 000

3. Dunbrody Primary School	Kirkwood	July-September	R4 000
4. GlenConnor Primary	Kirkwood	July-September	R4 000
5. Glentana Primary School	Kirkwood	July-September	R4 000
6. Mhlophekazi Primary School	Enon Besheba	July-September	R4 000
7. Moreson Primary School	Paterson	July-September	R4 000
8. Selbourne Primary School	Kirkwood	July-September	R4 000
9. St Reginalds Primary School	Kirkwood	July-September	R4 000
10. Establishment of a Sunday River Valley School Sport Association	Kirkwood	May 2018	R0
11 Capacity Building Program- Basic Sport Administration	Kirkwood	July-September	R30 000
	<b>Total</b>		<b>R84, 000</b>

#### SPORT CLUB DEVELOPMENT

<b>Project Name</b>	<b>Venue</b>	<b>Type of Support</b>	<b>Budget</b>
1. Fighting Stars Boxing Club	Kirkwood	Equipment and Attire	R16 000
2. Boxing Clubs (SABABO Inter District Boxing League) x 2 Clubs	Sarah Baartman	Transport	R43, 000
Mzamo & Fighting Stars		Medals and Trophies	
3. Youth Sports Tournament	Addo/Kirkwood	16 June 2018	R10 000
			<b>Total</b> <b>R69, 000</b>

#### **SPORT ACADEMY**

<b>Project Name</b>	<b>Venue</b>	<b>Type of Support</b>	<b>Budget</b>
Athletics Coaches Education Training	Kirkwood	Upskilling of coaches in Middle distance events	R0
Training Camps- Boxing (2 Clubs)	Kirkwood	Providing Coaching Education to Boxers	R1500
			<b>Total</b> <b>R1, 500</b>

#### **4.1.7 Department of Water and Sanitation**

Project	Types of support	Number of beneficiaries	Expenditure
Siyaphambili	Subsidy for WRM charges	27	388 200 (March 2018)
Mbuyiselo Farm	Subsidy for WRM charges	47	55 853 (march 2018)

#### 4.1.8 Department of Rural Development and Agrarian Reform

Project Name	Requirements	Budget
Siyaphambili	Production inputs	R455 421
Willowtree	Production inputs	R221 710
Belvoir	Production inputs	R150 662
Welvediend	2 FARTILIZER TANKS & 2 MIXTURE PUMPS, PRODUCTION INPUTS	R318 924.37
Nomzamo	EIA & PRODUCTION INPUTS FOR 5HA	
Siyahluma	EIA	R400 000

#### Infrastructure projects

- ADDO COMMUNITY-HANDLING FACILITY-WARD 5
- PATERSON COMMUNITY-HANDLING FACILITY-WARD 4
- WOODFORD-RENOVATION OF DIP TANK-WARD 4

#### Community Gardens

- Moses Mabhida backyard

- Valencia backyard
- Nomathamsanqa backyard
- Morrison backyard
- Leeuwenbosch backyard
- Bersheba backyard
- Langbos backyard
- Kinkelbos backyard
- Braakfontein backyard
- GlenConnor backyard
- Valencia backyard
- Enon project
- Cleveland Farm

#### **FEED 2018/19**

Siyahluma

Morrison

Sikhona Thina

Kuri Boerdery

Sarah Baartman Young Stars

#### **4.2 INTERNAL PROJECTS: SRVM**

4.2.9 DRAFT SERVICE DELIVERY  
BUDGET IMPLEMENTATION  
PLAN 2018/19

Strategic objective	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
Upgrade electricity network for future development	INEP: electricity stabilization	% progress on the INEP project		16,731,000.00	100%	25%	25%	25%	25%
Ensure access and a continuous supply of good quality water and sanitation to each user by 2022	Upgrading of Valencia Bulk water	% progress on the Valencia bulk water		2 892 237	100%	25%	25%	25%	25%
Ensure access and a continuous supply of good quality water and sanitation to each user by 2022	Upgrading of Paterson WWTW	% progress on the Paterson WWTW		1 000 000	100%	25%	25%	25%	25%
Ensure access and a continuous supply of good quality water and sanitation to each user by 2022	Feasibility study	% progress on the feasibility status		374,761.26	100%	25%	25%	25%	25%
Ensure access and a continuous supply of good quality water and sanitation to each user by 2022	Augmentation of bulk and distribution of water infrastructure: Enon and			3,000,000.00	100%	25%	25%	25%	25%

Strategic objective	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
	Bersheba								
Ensure access and a continuous supply of good quality water and sanitation to each user by 2022	Upgrading of sewerage network: Addo	% progress on the upgrades to the sewerage network in Addo		4,818,450.00	100%	25%	25%	25%	25%
Ensure access and a continuous supply of good quality water and sanitation to each user by 2022	Upgrading of sewerage network: Paterson	% progress on the upgrades to the Paterson sewerage network		4,818,450.00	100%	25%	25%	25%	25%
SRVM Community has access to good quality roads built according to applicable standards.	Upgrading of roads and storm-water: Enon Bersheba	Progress in the upgrades to the Enon Bersheba roads and storm-water project		7,000,000.00	100%	25%	25%	25%	25%
SRVM Community has access to good quality roads built according to applicable standards.	Small town revitalization	Kms of roads upgraded		37,320,000.00	100%	25%	25%	25%	25%
To ensure compliant	Reporting on	The percentage of							

Strategic objective	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
reporting in all respects of all grants	capital spending	a municipality's capital budget actually spent on capital projects identified for a particular financial period in terms of the municipality's integrated development plan							
To promote programmes of shared economic growth, land redistribution and general economic redress for the poor and disenfranchised.	Land audit	% progress in the land audit project		300 000	100%	30%	70%	-	-
To enhance internal capacity	installation of smart water	% progress in the installation of smart water			100% progress in installation				

Strategic objective	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
in order to improve service delivery performance.	meters	meters			of smart water meters				

# COMMUNITY AND SOCIAL SERVICES

Strategic objective	Strategies	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
Communities have sufficient and affordable solid waste disposal options to encourage clean and healthy environment	Cleaning up of targeted areas to eliminate the spread of illegal dumping sites	Clean up campaigns	The number of clean-up campaigns conducted	4	210 000	4	1	1	1	1
	Regular removal of solid waste	Removal of solid waste	The percentage of formal households with access to basic level of solid waste removal			70%	70%	70%	70%	70%
	Regular and constant maintenance of all landfill sites in the Valley	Maintenance of landfill sites	Number of landfill sites maintained	3		3	1	-	1	1
To ensure provision of	Regular testing of	Water	Number of water	144		144	36	36	36	36

Strategic objective	Strategies	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
water quality monitoring and food control	water samples and inspection of food-selling premises	testing	samples tested							
		Inspection of food-selling premises	Number of food-selling premises inspected	100		100	25	25	25	25
To ensure the provision of effective and efficient fire and disaster management services throughout the SRVM	regular inspections of premises to engender a culture of compliance	Fire compliance inspection	Number of premises inspected for fire safety compliance	100		100	25	25	25	25
To ensure provision of traffic services including improved revenue enhancement			% improvement in traffic fines revenue from the previous year quarter			5% improvement in traffic fines revenue from the previous year	5% improvement in traffic fines revenue from the previous year quarter	5% improvement in traffic fines revenue from the previous year quarter	5% improvement in traffic fines revenue from the previous year quarter	5% improvement in traffic fines revenue from the previous year quarter

Strategic objective	Strategies	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
nt			baseline (comparing quarter to quarter of the same period)			quarter baseline (comparing quarter to quarter of the same period)	baseline (comparing quarter to quarter of the same period)	baseline (comparing quarter to quarter of the same period)	baseline (comparing quarter to quarter of the same period)	baseline (comparing quarter to quarter of the same period)
		Traffic operations	Number of road traffic law enforcement operations conducted			16	4	4	4	4

# LOCAL ECONOMIC DEVELOPMENT

Strategic objective	Strategies	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
Establish of policy framework for LED related policies and	Review and development of LED related policies and	Policy and strategy development	Number of policies/and strategies	LED strategy SMME	-	SMME policy, SMME	1 SMME	SMME strategy		LED strategy

Strategic objective	Strategies	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
strategies including SMME, Tourism and Agriculture by 2022.	strategies and review		developed/reviewed	strategy and policy		strategy, LED strategy 3	policy			
To facilitate employment creation	Creation of employment through capital projects	Employment creation	Number of jobs created through infrastructure projects		-	150	-	-	-	150
Support the capacity and training development of small businesses and increase the number of viable emerging businesses by 2022.	Facilitation of training and development of business proposals for funding	SMME development	Number of SMMEs trained			40	10	10	10	10
			Number of business proposals developed and funded		2	-	-	-	-	2
Create a platform for networking required for effective business decisions	Facilitation of events for effective business networking for local SMMEs	Outreaches for business opportunities and networking	Number of SMME outreach programmes conducted	100 000	3		1 Small business day	1 SMME outreach	1 SMME indaba	

Strategic objective	Strategies	Project	Key Performance Indicator	Baseline information	Budget allocation	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
Support the establishment and strengthening of enterprises, including cooperatives and other forms of collective ownerships	Assistance with CSD registration	CSD registration	Number of local SMMEs assisted with CSD registration		-	20	5	5	5	5
Facilitate and promote diversified economic growth to enable inclusive beneficiation and overall improved economic life.		Monitoring of local SMME beneficiation	% expenditure on SMMEs on infrastructure capital projects	-	-	25%	-	-	-	25%

# INSTITUTIONAL TRANSFORMATION AND

# ORGANIZATIONAL DEVELOPMENT

#	Strategic Objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Quarterly Targets			
					Q1	Q2	Q3	Q4
1	To ensure the municipality approves the organogram and fills vacancies	% progress in the review of the organizational structure	100%	100%	NA	50%	30%	20%
2		% of existing budgeted vacancies filled	20%	50% of existing budgeted vacancies	NA	50%	NA	50%

#	Strategic Objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Quarterly Targets			
					Q1	Q2	Q3	Q4
				filled.				
3	Capacity building and empowerment programmes to ensure skills enhancement of staff.	Number of employees trained	35	40	10	10	10	10
4		% of the municipality's budget actually spent on implementing its workplace skills plan	100%	100%	25%	50%	25%	25%
5	To ensure that the municipality has employment equity plan and that targets are met	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's	8 women at middle management	2 women at senior management and 8 women at middle management	NA	NA	NA	2 women at senior management and 8 women at middle management

#	Strategic Objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Quarterly Targets			
					Q1	Q2	Q3	Q4
		approved employment equity plan						
6	To ensure effective public participation of ward committees.	number of ward committee meetings organized (as per schedule)	8 ward committee meetings	32 ward committee meetings	8	8	8	8
7	To optimise the information and communications technology(ICT) function to support organizational performance	% progress in resolving ICT audit improvement plan	70%	100%	25%	25%	25%	25%
8	To enhance employee wellness through prevention and provision of therapeutic programmes and physical fitness	number of employee health and safety programmes conducted	7	4	1	1	1	1

#	Strategic Objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Quarterly Targets			
					Q1	Q2	Q3	Q4
9	To ensure effective and efficient records management	% progress in the delivery and commissioning of the electronic document management system	New KPI	Records management fully acquired	25%	25%	25%	25%

# FINANCIAL VIABILITY AND MANAGEMENT

#	Strategic objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Quarterly Targets			
					Q1	Q2	Q3	Q4
1	To produce financial reports that meet the requirements of National Treasury department	Timely submission of AFS to Council and Auditor General	Submitted before 31 August 2017	Timely submission of AFS to Council and Auditor General on/or before 31 August 2017	AFS submitted to AG on 31 August 2017	NA	NA	NA
2		Timely submission of annual and adjustment budget	Both annual and adjustment budget submitted within stipulated time	Timely submission of annual budget on/or before 30 May 2019 & Timely submission of adjustment budget on/or before 28 February 2019	NA	NA	Timely submission of adjustment budget on/or before 28 February 2019	Timely submission of annual budget on/or before 30 May 2019
3		Number of statutory reports submitted on time	12	12 section 71 reports submitted within 10 working days of each	3	3	3	3

#	Strategic objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Quarterly Targets			
					Q1	Q2	Q3	Q4
	4	to AO, Mayor, PT and NT		new month to AO, Mayor, PT and NT				
4			12	12 grants reports submitted on time to AO, Mayor, PT and NT	3	3	3	3
5			4	4 section 52d reports submitted within 30 days of each new quarter	1	1	1	1
6	To ensure compliant reporting in all respects of all grants	% expenditure on FMG grant	100%	100%	25%	25%	25%	25%
7	To ensure a sustainable cash flow	Number of days creditors outstanding, excluding long term creditors	New KPI	60	60	60	60	60
8	To ensure debt is managed sustainably	% increase in revenue collected		10% increase in revenue collected	2.5%	2.5%	2.5%	2.5%
9		Number of indigents registered	3097	1200	300	300	300	300
10	To ensure proper procurement of goods and services in terms of chapter 11 of MFMA	% Irregular expenditure reduced, relative to the previous financial year	New KPI	50% irregular expenditure reduced, relative to the previous financial year	50%	50%	50%	50%
11	To ensure proper asset management	Number of movable asset verifications	New KPI	2 movable asset verifications performed	1	NA	1	NA

#	Strategic objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Quarterly Targets			
					Q1	Q2	Q3	Q4
		performed						
12		Number of GRAP compliant asset register submitted for external audit	1	1 GRAP compliant asset register submitted for external audit	1	NA	NA	NA
13	Financial viability as expressed by ratios	$A = (B-C)/D$ A - debt coverage B - total operating revenue received C - operating grants D - debt service payments (i.e. interest + redemption) due within the current financial period		45%	45%	45%	45%	45%
14		$A = B/C$ A - outstanding service debtors to revenue B - total outstanding service debtors C - annual revenue actually received		30 days	30 days	30 days	30 days	30 days
15		$A = (B+ C)/D$ A - cost coverage B - all available cash at a particular time C - investments D - monthly fixed operating expenditure		1 - 3 months	1 - 3 months	1 - 3 months	1 - 3 months	1 - 3 months

# GOOD GOVERNANCE AND PUBLIC PARTICIPATION

#	Strategic objective	Key Performance Indicator (KPI)	Project	Ward	Baseline	Annual Target	BUDGET	Quarterly Targets			
								Q1	Q2	Q3	Q4
1	Annual review and development of IDP/Budget for 2018/19 FY	% progress of IDP review	Review of the IDP for 2018/19	All wards	100%	100%	20 000	25% (Process plan submitted to Council)	50% (situation analysis, strategies and projects reviewed)	70% (draft IDP submitted to Council by 30 <sup>th</sup> March 2019)	100% (Final IDP submitted to Council for approval by the 31 May 2019)
2	Improve functionality, performance and professionalism in the municipality	% progress in the development of an annual report	Annual report development	N/A	100%		R350 000	25% (Draft annual report submitted to AG)	50% (Final Annual report submitted to Council)	Oversight report submitted to Council	Annual report submitted to relevant departments and loaded in website
3		Timely submission of PMS policy to Council	PMS policy review			PMS policy submitted to Council by the 31 August 2018		Reviewed PMS Policy submitted to Council	N/A	N/A	N/A

#	Strategic objective	Key Performance Indicator (KPI)	Project	Ward	Baseline	Annual Target	BUDGET	Quarterly Targets			
								Q1	Q2	Q3	Q4
4		Frequency of audit action plan implementation reports	Audit action plan			Quarterly reports on implementation of audit action plan		1 report	1 report	1 report	1 report
5	To enhance Council oversight	% of Council resolutions executed as per the resolution register	Execution of Council resolutions	N/A	90% of resolutions executed	90% of resolutions executed	-	90% of Council resolutions executed			
6		Number of audit and risk committee meetings held	Audit and risk committee meetings	-	4 Audit and risk committee meetings	4 Audit and risk committee meetings		1	1	1	1
7		Number of internal audits conducted	Audits by internal auditors	-	8			2	2	2	2
8	To establish and strengthen service delivery partnerships between the municipality, district, sector departments, communities and civil	Number of IGR meetings held	IGR meetings	-	4	4	30 000	1	1	1	1

#	Strategic objective	Key Performance Indicator (KPI)	Project	Ward	Baseline	Annual Target	BUDGET	Quarterly Targets			
								Q1	Q2	Q3	Q4
	society										
9	Mainstreaming of vulnerable groups' policy in all municipal directorates	Number of Youth and children development programmes and events supported (Induction workshops, career exhibition, Back to school, youth month, SMME support, sport and festivals, career expo)	Support for youth development programmes and events	all	New KPI	7 youth development programmes and events conducted	100 000  R30 000 (Back to School)	2 (Mandela day, Sport tournament)	2 (Career exhibition, Induction workshop)	1 (Back to school)	2 (Youth summit, sport event, festival)
		Number of women programmes and events supported (entrepreneurship training, Gender based violence and children abuse awareness campaign, women in sport, Women's day)				4 programmes	50 000	1 (Women's month)	1	1	After care

#	Strategic objective	Key Performance Indicator (KPI)	Project	Ward	Baseline	Annual Target	BUDGET	Quarterly Targets			
								Q1	Q2	Q3	Q4
11		Number of elderly programmes supported.  (Golden games, establish ward forums, establish partnerships with provincial older persons' forum,	events			2	35 250	Planning and data collection	1	1	
12		Number of disabled programmes supported  (Awareness raising campaigns, commemoration day for disability, Data collection	Support for elderly development programmes			2	30 000	Planning and data collection	1	1	
13	To ensure a fully functional Performance Management System	number of signed performance agreements	Performance agreements		5	5		5	NA	N/A	NA
14		number of times performance assessments conducted for all	Performance assessment					15 times	70 000	N/A	5 For Q1
									5 For Q2	5 For Q3	

#	Strategic objective	Key Performance Indicator (KPI)	Project	Ward	Baseline	Annual Target	BUDGET	Quarterly Targets			
								Q1	Q2	Q3	Q4
	section 56 managers	S									
15	Number of reports in respect of responsibilities of MM as per section 62 (1) of the MFMA as included in the performance agreements	Compliance with MFMA	-	New KPI	4 reports in respect of responsibilities of MM as per section 62 (1) of the MFMA as included in the performance agreements		1 report on Section 62 (1) responsibilities				

## Chapter: 5 MONITORING

## **CHAPTER 5: MONITORING AND EVALUATION**

---

### **5.1 INTRODUCTION**

In South Africa, municipal performance management has its policy origins in the White Paper on Local Government. It proposed performance management together with the integrated development planning and public participation, as important tools central to the notion of developmental local government. The White Paper noted that, "Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritize the amount of time it takes a municipality to answer a query, others will prioritize the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is enhanced, and public trust in the local government system is enhanced.

### **5.2 PERFORMANCE MANAGEMENT SYSTEM IN LEGISLATION**

In terms of Chapter 6, Section 38 of the Municipal Systems Act, of 2000, a municipality must (a) establish a performance management system that is:

- i) Commensurate with its resources;
- ii) Best suited to its circumstances; and
- iii) In line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan.

Not only does the Act prescribe that a performance management system must be implemented, it also prescribes in the act on how the performance management system must be developed.

MSA Sec 39 Development of performance management system

The executive committee or executive mayor of the municipality or, if the municipality does not have an executive committee or an executive mayor, a committee of councilors appointed by the municipal council must

- (a) Manage the development of a performance management system;
- (b) Assign responsibility in this regard to the municipal manager and;
- (c) Submit the proposed system to the municipal council for adoption

MSA Sec 40 Monitoring and review of performance management system.

A Municipality must establish mechanisms to monitor and review its Performance management system.

MSA Sec 41 Core Components

1. A municipality must in terms of its performance management system and accordance with and regulations and guidelines that may be prescribed
  - 1(a) Set appropriate key performance indicators which are to be used as a yard stick for measuring performance, including outcomes and impact with regard to the municipality's development priorities and objectives set out in its integrated development plan
  - (b) Set measurable performance targets in respect of each of those development priorities and objectives
  - (c) With regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraph (a) and (b)
    - (i) Monitor Performance; and
    - (ii) Measure and review performance at least once a year;
  - (d) Take steps to improve performance with regard to those development priorities and objectives where performance targets were not met. (e) Establish a process of regular reporting to
    - (i) the council, other political structures, political office bearers and staff of the municipality; and
    - (ii) the public and appropriate organs of the state.
2. The system applied by a municipality in compliance with subsection (10) (c) must be advised to in such a way that it may serve as an early warning indicator of underperformance.

### 5.3 PERFORMANCE MANAGEMENT AT SUNDAYS RIVER VALLEY MUNICIPALITY

The performance management function is located within the Office of the Municipal Manager. This is by virtue of the delegation of responsibilities in terms of the PMS policy. The municipality uses an electronic system that requires Directorates to populate performance information in their discharge. The electronic system with the information fed into it makes it easier to access such information, and to consequently compile the quarterly and annual performance reports mandated by legislation. It also allows management to assess the strides taken to achieve the objectives as set. With the myriad responsibilities of local government, management is aware that it takes continuous attention, dedication and in particular stamina from management to keep focusing on performance management in order to keep it alive in the organization.

### 5.4 GENERIC LOCAL GOVERNMENT INDICATORS

It should be noted that the following generic indicators are compulsory and are captured in the IDP and are reflected in the performance plans of section 56m managers and are apportioned per corresponding KPA.

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to free basic services;
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- The number of jobs created through municipality's local economic development initiatives including capital projects
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- Financial viability as expressed by ratios.